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SENATE RESOLUTION

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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

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

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

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

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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

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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;

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1 and

2 WHEREAS, The CARES Act also created a \$150 billion  
3 Coronavirus Relief Fund for state, local, and tribal  
4 governments; these funds could be used by states for  
5 unemployment costs caused by COVID-19; and

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

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

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

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

19 WHEREAS, Illinois experienced significant unemployment due  
20 to the pandemic and the resultant governmental actions; after

1 an initial spike in unemployment claims to over 970,000 in  
2 April 2020, the number of unemployment claims declined through  
3 October 2020 and have remained through June 2021 within a band  
4 of 430,000 and 480,000 per month, approximately double the  
5 pre-pandemic rate; and

6 WHEREAS, Illinois has had consistently higher unemployment  
7 rates during the pandemic than any of its neighboring states;  
8 in June 2021, Illinois's unemployment rate was 7.2%, Indiana's  
9 was 4.1%, Iowa's was 4.0%, Kentucky's was 4.4%, Missouri's was  
10 4.3%, and Wisconsin's was 3.9%, according to data released by  
11 the federal Bureau of Labor Statistics; and

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

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

20 WHEREAS, The Illinois Department of Employment Security,  
21 in conjunction with Deloitte, took two months to set up the  
22 Pandemic Employment Assistance Program provided for by the

1 CARES Act; the implementation of the Pandemic Unemployment  
2 Assistance program in Illinois lagged most other states; and

3 WHEREAS, From March 21, 2020 through June 13, 2020, the  
4 Illinois Department of Employment Security received an average  
5 of 200,000 unique callers per week but, on average, only  
6 answered 10% of them; at its lowest point during that period,  
7 only 5% of calls were answered; and

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

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

16 WHEREAS, According to the Better Government Association,  
17 the Illinois Department of Employment Security had only been  
18 issuing approximately 1% of its unemployment checks within  
19 seven days of the application for benefits through September,  
20 resulting in Illinois being the slowest state in the nation  
21 and one of only ten states that fell below 10%; and

1           WHEREAS, The Better Government Association further  
2 reported that Illinois failed to achieve federal standards for  
3 its unemployment program in five out of 10 performance  
4 measures; and

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

10           WHEREAS, The Auditor General released a financial audit of  
11 the Illinois Department of Employment Security on July 28,  
12 2021; and

13           WHEREAS, The financial audit of the Illinois Department of  
14 Employment Security only covered fiscal year 2021, from July  
15 1, 2019 through June 30, 2020, and only overlapped with the  
16 Pandemic Unemployment Assistance Program for seven weeks, from  
17 May 11, 2020, through June 30, 2020; and

18           WHEREAS, The Pandemic Unemployment Assistance Program has  
19 been repeatedly extended and now continues through September  
20 6, 2021; and

21           WHEREAS, The financial audit released by the Auditor

1 General only examined approximately 10% of the time period  
2 covered by the Pandemic Unemployment Assistance Program; and

3 WHEREAS, The financial audit stated that, during these  
4 seven weeks, the Illinois Department of Employment Security  
5 failed to accurately document eligibility, resulting in  
6 potentially ineligible claimants receiving benefits totaling  
7 \$154,906,354, which included:

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

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

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

18 (4) Paying benefits to 35 deceased claimants; and

19 WHEREAS, The financial audit additionally found that the  
20 Illinois Department of Employment Security had, prior to July  
21 1, 2020:

22 (1) Paid Pandemic Unemployment Assistance benefits to  
23 63 claimants who were 90 years old or older;

24 (2) Paid Pandemic Unemployment Assistance benefits to

1           164 claimants who were between the ages of birth and 13  
2           years of age; and

3           (3) Paid Pandemic Unemployment Assistance benefits to  
4           31 claimants who submitted multiple Social Security  
5           numbers and multiple claimant IDs; and

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

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

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

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

20          RESOLVED, BY THE SENATE OF THE ONE HUNDRED SECOND GENERAL  
21          ASSEMBLY OF THE STATE OF ILLINOIS, that the Auditor General is

1 directed to conduct a full financial and performance audit of  
2 the Illinois Department of Employment Security's  
3 administration of the state's unemployment programs for the  
4 period between March 1, 2020 and September 6, 2021; and be it  
5 further

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

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

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

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

22 (4) Whether the Illinois Department of Employment  
23 Security has complied with all state and federal statutory  
24 and administrative requirements for processing and  
25 auditing unemployment claims;



1           (5) An examination of the Illinois Department of  
2           Employment Security's decision not to implement additional  
3           fraud-prevention tools in April 2021 as recommended by the  
4           federal government and a report on whether the state has,  
5           since that time, come into compliance with federal  
6           recommendations;

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

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

21          (8) A detailed report that includes a full summary of  
22          the average case processing time, the timeliness of  
23          benefit payments, and the accuracy of these payments; and  
24          be it further

25          RESOLVED, That that the Auditor General commence this

1 audit as soon as possible and report his findings and  
2 recommendations upon completion in accordance with the  
3 provisions of Section 3-14 of the Illinois State Auditing Act;  
4 and be it further

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

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