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LRB103 30066 MST 56489 r

1 HOUSE RESOLUTION

2 WHEREAS, The unemployment insurance system of Illinois is
3 a quasi-independent function of state government, overseen by
4 the Illinois Department of Employment Security (IDES) from
5 moneys paid in by the private sector in the form of employer
6 "contributions" (i.e. taxes) paid by most employers on their
7 payrolls and payroll employees; and

8 WHEREAS, Surplus unemployment insurance tax revenues are
9 deposited in the Unemployment Insurance Trust Fund, as a fund
10 for future needs and as a reflection of the hard work performed
11 by the private sector; and

12 WHEREAS, On January 31, 2020, the Unemployment Insurance
13 Trust Fund had a positive balance of more than \$1,892 million,
14 this being a reflection of the hard work performed within and
15 the tax payments made by the private sector, together with
16 interest payments earned on these savings; and

17 WHEREAS, The three-year period from February 2020 until
18 February 2023 saw the highest level of expenditures paid out
19 in unemployment insurance in the history of our State; and

20 WHEREAS, During this period of time, the Unemployment
21 Insurance Trust Fund spent down its entire balance and, in

1 addition, built up a cumulative deficit of almost \$5 billion;
2 and

3 WHEREAS, An unknown percentage of the more than \$7 billion
4 in State-managed unemployment benefit payments made during
5 this period were paid out to recipients under conditions of
6 ineligibility for these payments, including fraudulent
7 ineligibility; and

8 WHEREAS, Not only was the almost \$2 billion in
9 Unemployment Insurance Trust Fund moneys spent down but the
10 accumulated deficit resulting from payments made after the
11 spend-down will result in an burden that, in the form of higher
12 unemployment insurance tax assessments on employers, will be a
13 further burden on the private sector for many years to come;
14 and

15 WHEREAS, The pain of this burden could be reduced by
16 clawing back some of the money improperly paid out to
17 ineligible recipients, including money paid out under
18 conditions of claimant fraud; therefore, be it

19 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE ONE
20 HUNDRED THIRD GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that
21 the unemployment insurance system operated by the Illinois
22 Department of Employment Security should undertake an audit,

1 ideally to be carried out by private-sector examiners under
2 the supervision of the Office of the Illinois Auditor General,
3 on the subject of unemployment insurance recipient fraud
4 during the 36-month period of time beginning on February 1,
5 2020, and concluding on January 31, 2023; and be it further

6 RESOLVED, That the auditors should report to the Governor
7 of Illinois and the four legislative leaders of the Illinois
8 General Assembly, in a report that should be a public
9 document, on the dimensions of the fraudulent unemployment
10 insurance claim activity that took place during this period;
11 and be it further

12 RESOLVED, That this report should contain recommendations
13 on how to retrieve some of the money improperly paid out, for
14 re-deposit in the Unemployment Insurance Trust Fund and
15 dedicated reduction in future unemployment insurance taxes to
16 be paid by the private sector; and be it further

17 RESOLVED, That this report should be submitted to the
18 Governor and the leaders of the Illinois General Assembly not
19 later than December 31, 2023; and be it further

20 RESOLVED, That copies of this resolution be delivered to
21 Governor J.B. Pritzker, Auditor General Frank J. Mautino, and
22 Interim Director of the Illinois Department of Employment

HR0080

-4-

LRB103 30066 MST 56489 r

1 Security Ray Marchiori.