



# News Release

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Pat Quinn, Governor

Jay Rowell, Director

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Greg Rivara  
Phone: (312)814-0095  
[www.ides.illinois.gov](http://www.ides.illinois.gov)  
[www.illinoisjoblink.com](http://www.illinoisjoblink.com)

## State Receives \$2.7 Million to Fight Fraud and Abuse *Competitive Grants Recognize Illinois' Effort, Progress*

**CHICAGO** – Federal officials awarded \$2.7 million to the Illinois Department of Employment Security (IDES) to enhance programs that protect against waste, fraud and abuse of the unemployment insurance system, the Department announced today.

“Taking money that has not been earned steals from those who truly want to go back to work, hurts our business owners who provide this safety net, and slows our economic recovery,” IDES Director Jay Rowell said. “This decision recognizes the significant progress we have made to protect the unemployment insurance program and shows how seriously we take our obligation to fight waste, fraud and abuse.”

The U.S. Department of Labor grant money will be used to enhance anti-fraud programs initiated in the past year. The public benefits through lower business taxes. Companies pay into the unemployment insurance Trust Fund, from which unemployment insurance benefits are paid. The amount a company pays is based on its experience with layoffs and the Fund’s balance. As the Fund’s balance decreases, unemployment insurance taxes eventually increase. By stopping improper payments from leaving the Fund and recovering more fraud dollars from claimants cheating the program, the Fund balance does not decline as quickly, meaning businesses taxes do not increase.

In the past year, the IDES has begun garnishing federal tax returns of unemployment cheats; checked unemployment rolls against prison logs; strengthened the anti-fraud unit with attorneys from Attorney General Lisa Madigan; created a new-hire directory to more quickly identify fraud; and now can hold business leaders personally liable for misstating their company’s obligations. The programs have saved taxpayers more than \$120 million.

The programs are part of Gov. Quinn’s bi-partisan reforms enacted last year that are expected to save businesses more than \$400 million, provide 16 percent unemployment insurance tax reductions for companies that did not lay off workers and punish those that defraud the unemployment insurance program.

Unemployment insurance benefits are funded through business contributions. These temporary dollars most often are spent for essentials at the local grocery, gas station and clothing store, thereby supporting the local economy. Every \$1 in unemployment insurance benefits generates about \$1.63 in economic activity.

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