



News Release

Pat Quinn, Governor

Jay Rowell, Director

**For Immediate Release
September 4, 2012**

Greg Rivara
Phone: 312.814.0095
www.ides.illinois.gov
www.illinoisjoblink.com

Another \$46 Million in Benefit Fraud Identified New Program's Second Phase Fights Waste, Fraud and Abuse

CHICAGO – More than 12,000 individuals who wrongfully collected nearly \$46 million in unemployment insurance benefits while gainfully employed have been notified that if they do not agree to a repayment plan their federal and state taxes will be garnished and they will not be eligible for future benefits, the Illinois Department of Employment Security (IDES) announced today.

This is the second phase of a new integrity initiative designed to root out waste, fraud and abuse and ensure that business contributions that fund benefit payments reach those who truly are in need. The phase two timing is tied to the filing of federal tax returns for individuals who requested an extension.

“We must restore integrity to the unemployment insurance system and respect the business owners whose contributions make these temporary payments possible. This is a significant step in that direction,” IDES Director Jay Rowell said. “When people refuse to do what is right and take money that does not belong to them, they risk their own financial security and harm the overall economic recovery.”

Appointed by Gov. Quinn and confirmed last summer by the Illinois Senate with strong bi-partisan support, Rowell was entrusted with three goals: turn the IDES into the state's employment office; assist families facing economic hardship; and advocate for taxpayers by correcting waste, fraud and abuse.

Earlier this year, this new federal garnishment program recovered \$42 million from 20,878 individuals who knowingly received benefits they did not earn and refused a repayment plan. This is the first year the IDES has had the authority to garnish federal tax returns. Illinois garnished an additional \$10.4 million in state tax returns from 54,000 individuals. This tool has been available since at least 2007.

The programs are part of Gov. Quinn's bi-partisan reforms that this year 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 who willfully defraud the unemployment insurance program.

Unemployment insurance benefits are funded through business contributions. These temporary dollars 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.

-END-