



# News Release

Pat Quinn, Governor

Jay Rowell, Director

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## **\$38 Million Recovered from Unemployment Cheats** *Anti-Fraud Effort Boosts Business Climate, Illinois Economy* Some Individuals Could Face Prosecution

**CHICAGO** – Illinois recovered nearly \$38 million from unemployment cheats and others who wrongfully collected unemployment insurance benefits, the Illinois Department of Employment Security (IDES) said today. The initiatives to fight fraud, increase tax fairness and reduce costs for businesses are part of Gov. Pat Quinn’s plan to improve the state’s climate for job creation and strengthen the Illinois economy.

“Cheating the unemployment insurance program cannot be tolerated because it harms the honest workers and the good employers across our state,” IDES Director Jay Rowell said. “We are prosecuting fraud. We are clawing back the money. Every dollar we recover helps to lower business taxes so owners can use that money to invest in more employees and help grow our local and state economies.”

IDES confiscated federal and state tax returns from individuals who refused to repay the debt or refused a repayment plan. Funds were recovered from 22,000 individuals between January and April. Recovering the dollars and fighting waste, fraud and abuse enhances the Illinois business climate by helping to lower payroll taxes employers pay to fund unemployment insurance payments.

This is the second year that IDES can garnish federal tax returns following bi-partisan reforms enacted in 2011. In 2012, IDES recovered \$44 million from 21,500 individuals, bringing the two-year total to \$82.4 million from 43,652 people.

Protecting the integrity of the Trust Fund is paramount. Money that pays for unemployment insurance benefits comes from a business payroll tax. The Trust Fund’s balance is among the factors considered when determining the payroll tax amount. The lower the Fund balance, the higher the payroll tax.

In the 22 months since Governor Quinn appointed Rowell and his overwhelming bi-partisan Senate confirmation, anti-fraud and Trust Fund integrity initiatives have saved taxpayers more than \$200 million. These programs include garnishing federal tax returns of unemployment cheats; checking unemployment rolls against prison logs; strengthening the anti-fraud unit with attorneys from Attorney General Lisa Madigan; creating a new-hire directory to more quickly identify fraud; and holding business leaders personally liable for misstating their company’s obligations.

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