

PUBLICATION OF REDACTED VERSION
OF THE OEIG FOR THE AGENCIES UNDER THE GOVERNOR
INVESTIGATIVE REPORT

Case Number: 23-00165

Subject(s): Tami Thomas

Below is the redacted version of an investigative summary report issued by the Executive Inspector General for the Agencies of the Illinois Governor. Pursuant to section 20-50 of the State Officials and Employees Ethics Act (Act) (5 ILCS 430/20-50), a summary report of an investigation is required to be issued by an executive inspector general when, and only when, at the conclusion of investigation, the executive inspector general determines reasonable cause exists to believe a violation has occurred. If a complaint is not to be filed with the Executive Ethics Commission (Commission) for adjudication of the alleged violation, the Act further requires the executive inspector general to deliver to the Commission a statement setting forth the basis for the decision not to file a complaint and a copy of the summary report of the investigation and of the response from the ultimate jurisdictional authority or agency head regarding the summary report. 5 ILCS 430/20-50(c-5). The Act requires that some summary reports be made available to the public and authorizes the Commission to make others available. 5 ILCS 430/20-52. Before making them available, however, the Commission is to redact from them information that may reveal the identity of witnesses, complainants, or informants and may redact “any other information it believes should not be made public.” 5 ILCS 430/20-52(b).

Some summary reports delivered to the Commission may contain a mix of information relating to allegations with respect to which the executive inspector general did and did not determine reasonable cause existed to believe a violation occurred. In those situations, the Commission may redact information relating to those allegations with respect to which the existence of reasonable cause was not determined.

The Commission exercises its publication responsibility with great caution and seeks to balance the sometimes-competing interests of transparency and fairness to the accused and others uninvolved. To balance these interests, the Commission has redacted certain information contained in this report and identified where said redactions have taken place and inserted clarifying edits as marked. Publication of a summary report of an investigation, whether redacted or not, is made

with the understanding that the subject or subjects of the investigation may not have had the opportunity to rebut the report's factual allegations or legal conclusions before issuance of the report. Moreover, there has not been, nor will there be, an opportunity for the subject to contest or adjudicate them before the Commission. The subject merely has the opportunity to submit a response for publication with the report.

The Commission received this report and a response from the ultimate jurisdictional authority and/or agency in this matter from the Agencies of the Illinois Governor Office of Executive Inspector General ("OEIG"). The Commission, pursuant to 5 ILCS 430/20-52, redacted the OEIG's final report and responses and mailed copies of the redacted version and responses to the Attorney General, the Executive Inspector General for the Agencies of the Illinois Governor, and each subject.

The Commission reviewed all suggestions received and makes this document available pursuant to 5 ILCS 430/20-52. By publishing the below redacted summary report, the Commission neither makes nor adopts any determination of fact or conclusions of law for or against any individual or entity referenced therein.

– THE REDACTED VERSION OF THE EIG'S SUMMARY REPORT
BEGINS ON THE NEXT PAGE –

I. INTRODUCTION

Based on finding evidence of a State employee fraudulently obtaining a federal Paycheck Protection Program (PPP) loan, the OEIG conducted a larger review to determine whether State employees properly obtained PPP loans and provided notice of secondary employment. Based on the large volume of PPP loans obtained by State employees, the OEIG narrowed its review based on certain factors including those State employees who received approximately \$20,000 or more in PPP loan funds.¹

The OEIG self-initiated this investigation regarding a \$20,832 PPP loan obtained by Tami Thomas while employed at the Illinois Department of Human Services (DHS). During her interview with the OEIG, Ms. Thomas admitted that she caused a PPP loan application to be submitted, it contained false information, and she accepted and spent the funds from the PPP loan.

II. BACKGROUND

Ms. Thomas began working for the State in May 2000, and has been a Mental Health Technician 2 since April 2004.

The PPP was created by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the Small Business Administration (SBA) to provide relief to small businesses affected by the COVID-19 pandemic. PPP loans were made to eligible businesses, which included sole proprietorships and self-employed individuals, for qualifying payroll costs and business operating expenses such as insurance, rent, and utilities.² To apply for the loan, a sole proprietor or self-employed individual needed to submit certain tax filings or other payroll documentation to an SBA-approved lender, establishing their eligibility and demonstrating the qualifying payroll amount, which as of March 2021 could be based on “gross income” reported on an IRS Form 1040, Schedule C.³ PPP loans were eligible for forgiveness by the SBA if used on qualifying expenses and if at least 60% was used for payroll costs.⁴

III. INVESTIGATION

A. PPP Records For Tami Thomas

The OEIG located public records from the SBA showing that Ms. Thomas received a \$20,832 PPP loan in May 2021 for a sole proprietorship. The OEIG subpoenaed loan documents from the lender, which included a PPP “Borrower Application Form for Schedule C Filers Using Gross Income Revised March 18, 2021” signed in Ms. Thomas’ name and dated April 8, 2021. The “Sole proprietor” box was checked on the application, the Business Legal Name was Tami Thomas, the year of establishment was listed as 2017, and the business was categorized under a code for “Residential Property Managers.” Ms. Thomas was identified as the sole employee. The loan application contained various certifications, all reflecting the initials “TT,” which included a

¹ From the OEIG’s review, in order to be eligible for at least \$20,000 in loan proceeds, the small business typically had approximately \$100,000 or more in yearly net profit or gross income. The OEIG will be referring to the Ultimate Jurisdictional Authority those State employees who obtained PPP loans in smaller amounts or were not investigated for other logistical reasons.

² 15 U.S.C. § 636(a)(36); SBA Interim Final Rule, 85 FR 20811 (Apr. 15, 2020).

³ SBA Interim Final Rule, 86 FR 13149 (Mar. 8, 2021) (expanded definition of “payroll costs” for sole proprietors).

⁴ *See id.*; 15 U.S.C. § 636(m).

statement that the applicant “was in operation on February 15, 2020...and was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees...”; a statement that the funds would be used as authorized by PPP rules; and a statement that information provided in the application and supporting documentation was “true and accurate in all material respects.”

The loan application listed the gross income amount from tax year 2019 IRS Form 1040, Schedule C, line 7 as \$122,124. That figure was used to calculate the loan amount of \$20,832 (intended to cover a period up to 2.5 months). A Schedule C Profit or Loss From Business form for a business in Ms. Thomas’ name was submitted with the loan application with a listed gross income for the business of \$122,124 for 2019.

Other documents were submitted related to the loan, which included:

- a IRS form W-9 in Ms. Thomas’ name;
- an Information and Bank Account Certification and Authorization form listing a bank account and routing numbers in Ms. Thomas’ name, authorizing the lender to deposit the loan proceeds into the account;
- a bank statement for an account in Ms. Thomas’ name;
- a photograph of Ms. Thomas’ Illinois driver’s license; and
- a photograph of Ms. Thomas.

The loan documentation included a “Note” dated May 27, 2021, for a loan in the amount of \$20,832, with a signature in Ms. Thomas’ name.⁵

B. Secondary Employment Information

The OEIG also reviewed the DHS personnel file for Ms. Thomas, for any documents related to her secondary employment. At the time the OEIG reviewed Ms. Thomas’ personnel file, there were Reports of Secondary Employment submitted in 2016, 2017, 2019, and 2022. None of the forms documented that she had reported any secondary employment.

C. Tami Thomas’ OEIG Interview

On February 9, 2023, the OEIG interviewed Tami Thomas. Ms. Thomas said she was not familiar with the DHS secondary employment policy and, after reviewing the policy, said she did not know her duty to report secondary employment included self-employment. Ms. Thomas initially said she did not have other sources of income outside her State employment. Later, Ms. Thomas claimed that in 2018 she started a private home health care business with a friend, called [Company 1], which she admitted she has never reported to DHS. Ms. Thomas said her friend moved out of State in 2019, and has not been part of the business since then.

Ms. Thomas said that [Company 1] assists seniors with the activities of daily living by providing services like running errands, shopping for groceries, and cleaning homes. Ms. Thomas said that the rate she charged depended on the level of assistance she provided, but said it ranged from \$15 to \$25 an hour. Ms. Thomas stated that she was paid weekly based on the number of hours

⁵ The lender did not produce documents showing that Ms. Thomas’ PPP loan was forgiven. According to federalpay.org, Ms. Thomas’ loan has not yet been fully repaid or forgiven.

she worked for a client, and had three consistent clients. However, Ms. Thomas said that by 2022, she did not have any clients after two of her clients died and the third was placed in a nursing home. Ms. Thomas said she never provided services to clients while on State time.

Ms. Thomas stated that she only accepted cash as payment for her services. Ms. Thomas said that because she was paid cash for her home health care business, she did not report the income on her federal income taxes. Ms. Thomas claimed she did not keep any business records and could not provide an exact amount, but estimated that when her business was at its peak in 2018-2019, she made up to approximately \$29,000 a year. Ms. Thomas said that in 2021, her business produced “a little under \$10,000” because she only had one client, and that from 2022 to present, she did not have any revenue from her business because she did not have any clients. Ms. Thomas said her business ended in the middle of 2022 due to a lack of clients.

Ms. Thomas confirmed that she sought and obtained a PPP loan for her business. When shown the loan application in the interview, Ms. Thomas claimed that she was not familiar with the application because someone applied for the loan on her behalf. Ms. Thomas claimed that one of her friends introduced her to a person⁶—Individual A—for assistance with tax preparation. Ms. Thomas said that she decided not to use Individual A for her tax preparation, but during her conversation with Individual A, Ms. Thomas mentioned her company and Individual A told her that Individual A could assist Ms. Thomas with obtaining a loan and loan forgiveness for her business.

Ms. Thomas said she provided Individual A with basic business information via email, including her name, address, name of company, the type of company, and how many employees were with the company. Ms. Thomas claimed that she and Individual A completed the application over the phone. Ms. Thomas said that she signed “something” electronically related to the loan after Individual A sent her a page via email and asked her to sign it. Ms. Thomas confirmed that she also gave Individual A permission to sign documents on her behalf for the loan.

Ms. Thomas confirmed that she sought and obtained the PPP loan for her home health business and said that the code on the application classifying her business as a Residential Property Managers was incorrect as she did not manage any properties and had never operated a business that engaged in residential property management. Ms. Thomas said that the gross income of \$122,124 listed on the application was also inaccurate. Ms. Thomas claimed that she could not remember which documents she initialed and signed, but said she believed Individual A signed the application on her behalf.

Ms. Thomas claimed she never saw the Schedule C form submitted with the application and that Individual A did not tell her it was being completed or even that it was part of the loan application. Ms. Thomas confirmed her name and social security number (SSN) listed on the Schedule C were correct, but said the type of business and the expenses and gross income amount of \$122,124 listed in the Schedule C were incorrect. Ms. Thomas said that she “would not be at Ludeman wiping behinds” if she made that much money. Ms. Thomas again confirmed that some information on her PPP loan application and Schedule C, such as the gross income, expenses, and profession being listed as property management, was inaccurate and said that she never saw the loan application and that she “trusted the wrong person.”

⁶ Ms. Thomas provided OEIG investigators with the person’s name. According to the Illinois Comptroller’s website, Individual A is not a State employee.

Ms. Thomas claimed she recognized the W-9 form in her name submitted with the loan application, saying that it looked like the form Individual A asked her to sign electronically. Ms. Thomas confirmed her name, address, and SSN appeared accurately on the form, and said the signature on the W-9 was her signature. Ms. Thomas stated she did not know if the form was submitted with the PPP loan application, but stated she did not submit it.

Ms. Thomas confirmed the Note reflected that she received a PPP loan for \$20,832, and admitted the signature on the document was her electronic signature. Ms. Thomas confirmed her bank account information was accurately listed on the Information and Bank Account Certification and Authorization form, and admitted she received the loan proceeds. Ms. Thomas claimed that she used the loan funds to pay some bills, pay a relative's tuition, buy a new vehicle, and send herself and relatives on separate trips. Ms. Thomas claimed that that once she received the loan funds, she also paid Individual A \$4,000 via Zelle, but then never heard from Individual A again. Ms. Thomas claimed that Individual A stopped picking up her phone calls, so she never obtained forgiveness for her loan.

IV. ANALYSIS

The DHS Rules of Employee Conduct state that an employee's "conduct while off-duty may subject the Employee to discipline up to and including discharge" when the conduct raises "reasonable doubt concerning the Employee's suitability for continued state employment."⁷ In addition, the State of Illinois Code of Personal Conduct provides that "A State Employee will conduct himself or herself...with integrity and in a manner that reflects favorably upon the State."⁸

Ms. Thomas acknowledged that she obtained a PPP loan of \$20,832 and that she spent the proceeds. The information in Ms. Thomas' loan documentation, however, was false. Ms. Thomas' loan applications listed 2019 gross income from a "sole proprietorship" in an amount of \$122,124. In her interview, Ms. Thomas admitted that the nature of the business and the \$122,124 in income listed on the loan documents was inaccurate. Ms. Thomas admitted that the information in the Schedule C, such as the gross income, expenses, and profession being listed as property management, was inaccurate. Ms. Thomas admitted that she authorized Individual A to apply for the PPP loan on her behalf, and that she provided Individual A with her personal information for that purpose. In addition, Ms. Thomas admitted that she received and spent all of the funds from the loan.

Although Ms. Thomas' stated that she did not see some of the PPP loan documents, Ms. Thomas admitted that she authorized Individual A to take action for the purpose of obtaining a loan for her (Ms. Thomas), and further acknowledged that she electronically signed something related to the loan. Ms. Thomas's choice to not take reasonable steps to ensure the information being submitted on her behalf was accurate, does not absolve her of responsibility. It was Ms. Thomas' actions that set the chain of events in motion leading to her receipt and spending of \$20,832 in PPP loan proceeds. Thus, Ms. Thomas caused to be submitted a loan application with false information and received and spent the loan proceeds in violation of PPP rules.

Additionally, the DHS secondary employment policy requires employees to complete a

⁷ DHS Administrative Directive 01.02.03.040.

⁸ Illinois Code of Personal Conduct, Conduct Unbecoming of a State Employee (2017 & March 17, 2021).

new Report of Secondary Employment form annually, confirming “any secondary employment, including self-employment, or whether no secondary employment exists.” Documents from Mr. Thomas’ DHS personnel file show secondary employment forms for her in 2019, and 2022, on which she failed to report her business as secondary employment. No subsequent forms were found, and Ms. Thomas admitted she did not disclose her business as secondary employment to DHS. Ms. Thomas’ failure to report her business on the forms she submitted in 2019 and 2022, and her possible failure to fill out a secondary employment form in 2021, violated DHS Administrative Directives on secondary employment.

Based on the evidence, there is reasonable cause to believe that Ms. Thomas violated DHS and State of Illinois policies on employee conduct and secondary employment.

V. [REDACTED] AND RECOMMENDATIONS

Based on the evidence detailed above, the OEIG has determined **THERE IS REASONABLE CAUSE TO BELIEVE THE FOLLOWING:**

- **[REDACTED]** – Ms. Thomas obtained a federal PPP loan based on falsified information in violation of DHS and State of Illinois policies on employee conduct.
- **[REDACTED]** – Ms. Thomas failed to report secondary employment in violation of DHS policy.

Regardless of the ease of procuring these PPP funds, this was not free money for the taking. These loans, as with any other, required truthful information as a basis for approval. State employees are expected, at minimum, to maintain the public’s trust and confidence. Misappropriating such funds is far from being ethical, professional, acting with integrity, or conducting oneself in a manner that reflects favorably upon the State. Accordingly, the OEIG recommends that DHS terminate Tami Thomas.

No further investigative action is necessary, and this matter is considered closed.

Date: June 29, 2023

Office of Executive Inspector General
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JB Pritzker, Governor

Illinois Department of Human Services

Grace B. Hou, Secretary

Office of the General Counsel

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July 3, 2023

Via e-mail to Senior Paralegal Sherry Bult (at [REDACTED]@illinois.gov), on behalf of:

Susan M. Haling

Executive Inspector General

Office of the Executive Inspector General for the Agencies of the Illinois Governor

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RE: Response to the Final Reports for Complaints Transmitted on June 30, 2023

Dear Executive Inspector General Haling:

This letter responds to the set of 14 Final Reports for the complaints transmitted to the Department of Human Services (DHS) on June 30, 2023. The complaints are being reviewed. Your office will receive an update as these matters move along. If you have any questions, please feel free to contact Robert J. Grindle, DHS' Ethics Officer.

Regards,

/s/ Grace B. Hou by /s/ Robert J. Grindle

Grace B. Hou
Secretary



JB Pritzker, Governor

Dulce M. Quintero, Secretary Designate

Office of the General Counsel

69 W. Washington St. • Ste. 901 • Chicago, IL 60602

March 1, 2024

Via e-mail to Senior Paralegal Sherry Bult (at [REDACTED]@illinois.gov) on behalf of:

Susan M. Haling

Executive Inspector General

Office of the Executive Inspector General for the Agencies of the Illinois Governor

69 West Washington Street, Suite 3400

Chicago, Illinois 60602

RE: Updated Response to the Final Report for Complaint 23-00165

Dear Executive Inspector General Haling:

This letter updates a previous response for the Final Report for Complaint Number 23-00165. That Final Report details two [REDACTED] allegations, regarding the federal Paycheck Protection Program (PPP) and failure to report secondary employment. It makes one recommendation. That recommendation has been followed.

The Department of Human Services (DHS) initiated the disciplinary process. That process is complete, including resolution of all grievances. The individual remains discharged from State employment.

With the employee's separation complete, DHS considers this matter closed. If you have any questions, please feel free to contact Robert J. Grindle, DHS' Ethics Officer.

Regards,

/s/ Dulce Quintero by /s/ Robert J. Grindle

Dulce Quintero

Secretary-designate