

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

Case Number: 23-00166

Subject(s): Pamella Veile

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 \$20,207 PPP loan obtained by Pamela Veile while employed at the Illinois Department of Human Services (DHS). During her interview with the OEIG, Ms. Veile admitted that she signed and submitted a PPP loan application containing false information, that she received and spent the loan funds on personal expenses, and that she signed an application for and accepted forgiveness of that loan.

II. BACKGROUND

Ms. Veile began working for DHS in December 2019 and currently holds the position of Mental Health Technician I.

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 Pamela Veile

The OEIG located public records from the SBA showing that Ms. Veile received a \$20,207 PPP loan in April 2021 for a sole proprietorship. The OEIG subpoenaed loan documents from the lender, which included a loan application for “Schedule C Filers,” signed in Ms. Veile’s name and dated April 22, 2021. The “Sole proprietor” box was checked, the Business Legal Name was

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).

“Pamella Veile” with establishment year 2019, and the business categorized under a North American Industry Classification System (NAICS) code for “Other Residential Care Facilities.” Ms. Veile was identified as the sole employee. A box checked under “Purpose of the loan” was for Payroll Costs, Rent/Mortgage Interest, Utilities, Covered Operations Expenditures, and Other (with no further explanation). The form contained various certifications, all reflecting the initials “PV,” which included a 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.” On the application, the gross income from tax year 2020 from the “IRS Form 1040, Schedule C, line 7” was identified as \$97,000. That figure was used to calculate the loan amount of \$20,207 (intended to cover a period up to 2.5 months).

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

- a bank statement for February 1, 2020 through February 28, 2020, in Ms. Veile’s name;
- a 2020 IRS Form 1040, Schedule C, reflecting Ms. Veile’s name and home address, principal business or profession as “Other Residential Care Facilities,” a gross income of \$97,000, and total expenses of \$895 for deductible meals;
- a copy of Ms. Veile’s Illinois driver’s license; and
- a self-portrait photo of a woman purporting to be Ms. Veile.

The loan documentation included an SBA “Note,” dated April 29, 2021, containing an electronic signature in Ms. Veile’s name for a loan in the amount of \$20,207, and an Additional and Correction Documents Agreement containing an electronic signature in Ms. Veile’s name for the same date. A PPP loan forgiveness application was dated October 22, 2021, and contained an electronic signature in Ms. Veile’s name, indicating the amount spent on payroll costs was \$20,207 and requesting forgiveness of the full amount of \$20,207. The application included certifications that the borrower had complied with all requirements, including those related to eligible use of PPP loan proceeds, and that the information provided in the application was “true and correct in all material respects.” An SBA form, included in the lender documents, stated that the \$20,207 loan and \$102.16 in interest had been forgiven in full on November 1, 2021.

B. No Secondary Employment Reported

The OEIG also reviewed the DHS personnel file for Ms. Veile for any documents related to her secondary employment. At the time the OEIG reviewed Ms. Veile’s personnel file, the OEIG located four Reports of Secondary Employment signed in Ms. Veile’s name, dated December 16, 2019, December 17, 2019, February 5, 2020, and February 19, 2022, each of which was signed in the section reporting no secondary employment, including self-employment.

C. Pamella Veile's OEIG Interview

On February 6, 2023, the OEIG interviewed Ms. Veile. Ms. Veile said that she operated a home health care service for seniors beginning in September 2017. She said that she serviced four clients between September 2017 and March 2020: Client 1 from September to November 2017, earning \$30 per visit one to two times per week; Client 2 from December 2017 to October 2019, earning \$25 per visit two to three times per week; Client 3 from June 2018 to August 2018, earning \$100 per week; and Client 4 in March 2020, earning nothing, as she stopped servicing that client after two visits due to COVID-19 and the client did not pay her. She said that she did not make any money from her home health care business in 2021 or 2020, that she made approximately \$3,300 in 2019, and that in 2018 she provided services to Client 2 (\$25 two to three times a week) and Client 3 (\$100 per week from June to August).⁵ Ms. Veile said that she had not provided any home care services since March 2020, but that she applied for an Employer Identification Number on February 3, 2023 under the business name [Company 1]. Ms. Veile said that she did not have a separate bank account for her home health care business. Ms. Veile stated she did not notify anyone at DHS about her home health care business because she is a “very private person,” and it is her business.

Ms. Veile said that she also worked at Aperion Care Chicago Heights (“Aperion”), from June to August 2022, from 11:00 p.m. to 7:00 a.m., earning \$3,751.88. She acknowledged that her employment at Aperion constituted secondary employment, but that she did not notify anyone at DHS about it. She explained that her Aperion work schedule did not conflict with her DHS job, where she works from 2:00 p.m. to 10:30 p.m., and stated her belief that the obligation to report secondary employment only extends to employment that interferes with her DHS hours or with her ability to perform her DHS job duties. Because neither her home health care business nor her Aperion employment interfered with her DHS schedule, she said, she believed she did not need to report them.

Ms. Veile was shown DHS Reports of Secondary Employment dated December 16, 2019, December 17, 2019, February 5, 2020, and February 19, 2022. She confirmed she signed the reports and that she did not report her secondary employment on any of them. After reviewing the reports, she acknowledged that not reporting her secondary employment is an issue.

Ms. Veile said that she obtained a PPP loan for her business. She said that she learned about the loan opportunity from Individual A, whom she met through mutual friends. The OEIG showed Ms. Veile the borrower application associated with her loan, which she initially said she filled out herself, but later in the interview stated that she provided Individual A with the information and was present when Individual A filled the application out.⁶ Ms. Veile verified the information appearing on the borrower application, including the type of business (sole proprietorship), business legal name (her name), year of establishment (2019), NAICS code (“Other Residential Care Facilities”), and business address (her home address). However, she stated that the gross income of \$97,000 shown on the application was incorrect, and that the

⁵ According to the OEIG’s calculations, Ms. Veile would have earned no more than \$5,100 in 2018.

⁶ Ms. Veile provided the first and last name of Individual A and stated Individual A was not a State employee. According to the Illinois Comptroller’s website, there is no State employee with the same first and last name as Individual A.

business did not earn that much. Rather, she stated her gross income would be closer to \$97,000 if she combined her DHS income and overtime pay with her home health care business income. Later in her interview, she stated that she calculated the gross amount by combining her DHS income with what she would have liked to make from her home health care business, explaining Individual A told her to put what she made or what she was projecting to make on the PPP application. Ms. Veile stated that she initialed and signed the application and submitted it online. She denied previously seeing the 2020 Schedule C form. When shown the SBA Note, however, she confirmed she signed it and acknowledged that she received loan funds of \$20,207 in her bank account, which she used to pay rent and utilities, and buy food for herself and her children.

Ms. Veile stated that Individual A assisted her with an application for loan forgiveness, which she personally signed. She confirmed that the loan was forgiven.

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

Additionally, the DHS secondary employment policy requires employees to complete a new Report of Secondary Employment form annually, confirming “any secondary employment, including self-employment, or whether no secondary employment exists.” It further states that employees who want to engage in previously unreported outside employment need to submit a Report of Secondary Employment form within five working days of commencing secondary employment and receive approval to engage in the secondary employment. The policy states that “[f]ailure to have an accurate and current form submitted may result in disciplinary action, up to and including discharge.”⁹

Ms. Veile acknowledged that she obtained a PPP loan in 2021, that she used the proceeds, and that the loan was forgiven in full by the SBA. The information in Ms. Veile’s loan documentation, however, was false. Ms. Veile’s loan application listed 2020 gross income from a “sole proprietorship” in an amount of approximately \$97,000; however, she admitted that her business never generated that much income. Rather, she stated that her business generated no income in 2021 or 2020, generated approximately \$3,300 in 2019, and no more than \$5,100 in 2018.

Ms. Veile admitted that she either filled out the loan application herself or that she gave her information to Individual A, who filled the application out in her presence and with her permission. Regardless of who completed the application, Ms. Veile admitted to initialing,

⁷ DHS Administrative Directive 01.02.03.040.

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

⁹ DHS Administrative Directive 01.02.03.120. The policy states that if secondary employment is reported, the form will be placed in the employee’s official personnel file. *Id.*

signing, and submitting the application herself. Ms. Veile admitted that after being approved for the PPP loan, she spent the loan proceeds of \$20,207 in public funds, including for personal things such as rent, utilities, and food for her family. Ms. Veile further admitted that she personally signed the forgiveness application and that her loan was forgiven. Thus, Ms. Veile submitted a loan application with false information, received and spent the loan proceeds in violation of PPP rules, and accepted forgiveness in full by the federal government. Moreover, Ms. Veile also failed to report her secondary employment to DHS, both her home health care business and her employment with Aperion. Based on the evidence, there is reasonable cause to believe that Ms. Veile violated DHS and State of Illinois policies on employee conduct.

V. [REDACTED] AND RECOMMENDATIONS

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

- [REDACTED] – Pamela Veile obtained a federal PPP loan based on falsified information in violation of DHS and State of Illinois policies on employee conduct.
- [REDACTED] – Pamela Veile 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 Ms. Veile.

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

Date: May 16, 2023

Office of Executive Inspector General
for the Agencies of the Illinois Governor
69 West Washington Street, Ste. 3400
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By: **M. Katherine Boychuk #161**
Assistant Inspector General



JB Pritzker, Governor

Illinois Department of Human Services

Grace B. Hou, Secretary

Office of the General Counsel

69 West Washington • 9th Floor • Chicago, Illinois 60602

May 22, 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

69 West Washington Street, Suite 3400

Chicago, Illinois 60602

RE: Response to the Final Reports for Complaints [REDACTED]
[REDACTED], and 23-00166

Dear Executive Inspector General Haling:

This letter responds to the Final Reports for the complaints listed above. The Department of Human Services (DHS) is currently reviewing the complaints. 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

February 29, 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 23-00166

Dear Executive Inspector General Haling:

This letter updates a previous response for the Final Report for Complaint Number 23-00166. 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