

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

Case Number: 23-00127

Subject(s): Wanda Craig

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.¹ The OEIG then self-initiated this investigation regarding a \$20,832 PPP loan obtained by Illinois Department of Human Services (DHS) employee Wanda Craig. Although Ms. Craig was not a State employee when this loan application was submitted or approved, the OEIG determined that there was reasonable cause to believe that Ms. Craig failed to cooperate with the OEIG and failed to report secondary employment.

II. BACKGROUND

Ms. Craig began working for the State in June 2000, but left State employment in 2018. Ms. Craig returned to State employment in January 2022 as a Mental Health Tech 1.

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 Wanda Craig

The OEIG located public records from the SBA showing that Ms. Craig received a \$20,832 PPP loan in April 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. Craig’s name and dated April 10, 2021. The “Sole proprietor” box was checked on the application, the Business Legal Name was Wanda Craig, the year of establishment was listed as 2015, and the business was categorized under a code for “Beauty Salons.” Ms. Craig was identified as the sole employee. The loan application contained various certifications, all reflecting the initials “WC,” which included a statement that the applicant “was in operation on February 15, 2020...and was either an eligible self-employed individual,

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 may 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).

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 \$113,971. That figure was used to calculate the loan amounts of \$20,832 (intended to cover a period up to 2.5 months). A 2019 Schedule C Profit or Loss From Business form for a “hair stylist” business in Wanda Craig’s name, which listed gross income of \$113,971, was submitted with the loan application.

Other documents were submitted related to the loans, which included a photograph of a bank statement in Ms. Craig’s name for an account ending in #[Account 1]; and a photo of Ms. Craig’s Illinois driver’s license.

The lender did not produce documents showing that Ms. Craig’s PPP loan was forgiven. According to federalpay.org, Ms. Craig’s loan status is “Ongoing Loan.”

B. Secondary Employment Information

The OEIG also reviewed the DHS personnel file for Ms. Craig, for any documents related to her secondary employment. At the time the OEIG reviewed Ms. Craig’s personnel file, there were two Report of Secondary Employment forms submitted in 2022. Neither of the forms documented that she had reported any secondary employment.

C. Wanda Craig’s OEIG Interview

On January 30, 2023, the OEIG interviewed Wanda Craig. Ms. Craig said that she has worked as a Community Builder for an organization called [Organization 1] since November 2022, but has not had any other outside employment. Ms. Craig stated that she has not yet filled out a secondary employment form that reported her employment with [Organization 1], because she is on leave, but said that she is aware she is required to do so. Ms. Craig acknowledged that she did not report any secondary employment on the forms she submitted in January and March 2022, but said she did not have a second job when she completed them.

Ms. Craig said that she does not own a business and has never applied for a business loan. When shown the loan application in the interview, Ms. Craig confirmed that her name, mailing address, email address, Social Security Number (SSN), and phone number were accurately listed on the application, but claimed that she had never seen the application before and did not sign or initial the document. Ms. Craig denied filling out the loan application or providing any of the information on the document, including the gross income of \$113,971 listed on the document. When questioned about the \$113,971 gross income reported on the form, Ms. Craig stated that she has never had a business. Ms. Craig denied giving anyone permission to fill out the application on her behalf.

Ms. Craig also acknowledged that her name, home address, and SSN were accurately listed on the Schedule C Form 1040 Profit or Loss for Business submitted with the loan application, but denied filling it out or giving anyone else permission to fill it out on her behalf. Ms. Craig confirmed that the photographs of the driver’s license and bank statement for an account ending

in #[Account 1] submitted with the application were hers, but denied submitting either with the loan application. Ms. Craig said that her relatives may have access to her driver’s license and speculated that she may have been “hacked” or her relatives “might be signing up for stuff, and I don’t question them if I think I’m helping them.”

Ms. Craig confirmed that the bank statement submitted with the loan application was associated with her personal bank account. Ms. Craig said that she did not recall sending her bank statement to anyone, but said that it was “possible” she did but did not remember. Ms. Craig said she did not know whether the \$20,832 loan proceeds were deposited into her bank account ending in #[Account 1], but that she did not think she had received that money. Ms. Craig said that \$10,000 in life insurance proceeds had been deposited into her account after a relative died. Ms. Craig confirmed that she had not switched banks and the account ending in #[Account 1] was her current account that her State paycheck was deposited to. Ms. Craig said she did not believe anyone had access to her bank account. When asked if her bank account would reflect a \$20,832 deposit, Ms. Craig replied, “We’ll have to see what the documents say.”

D. Wanda Craig’s Bank Account Records

After the interview, the OEIG subpoenaed Ms. Craig’s bank for any records associated with her bank account ending in #[Account 1], and any other account held in her name. In response, the bank produced statements for an account Ms. Craig held jointly with another person and for other accounts held only in Ms. Craig’s name. The records showed that Ms. Craig was the only account owner for the bank account ending in #[Account 1].

The bank produced, in part, statements for Ms. Craig’s account ending in #[Account 1] for the time period of April 16, through June 15, 2021. One statement showed a deposit on May 7, 2021, of \$10,148.49 titled, “Deposit.” It also showed that following that deposit, on May 10, 2021, three transfers were made—in the amounts of \$1,000, \$2,000, and \$2,000—out of the account and into a different bank account in Ms. Craig’s name ending in #[Account 2].⁵ A transfer of \$2,402 was made on May 12, 2021, from Ms. Craig’s account ending in #[Account 1] into the account in Ms. Craig’s name ending in #[Account 2].

Date	Transaction Type	Debit	Credit
May 7, 2021	Deposit		\$10,148.49
May 10, 2021	Transfer to Ms. Craig’s account #[Account 2]	\$1,000	
	Transfer to Ms. Craig’s account #[Account 2]	\$2,000	
	Transfer to Ms. Craig’s account #[Account 2]	\$2,000	
May 12, 2021	Transfer to Ms. Craig’s account #[Account 2]	\$2,402	

The statement also showed a deposit on May 13, 2021, of \$20,832 titled, in part, “PPP funding” and “Wanda Craig SBA funding.” Following the \$20,832 deposit, the bank statements show more repeated transfers of money and large purchases made from Ms. Craig’s account ending in #[Account 1]. Specifically, on May 14, 2021, a transfer of \$3,000 was made into the account in Ms. Craig’s name ending in #[Account 2]. That same day, a \$1,000 debit card purchase was made, and two checks were written from the account: one for \$2,000 and one for \$3,000. Additionally, on May 17, 2021, the five following transactions were made from Ms. Craig’s account ending in

⁵ The bank statements indicate the product associated with the #[Account 2] account is a “GPR,” which, according to internet research, is a global cash card, similar to a prepaid debit card.

#[Account 1]:

- \$2,000 was transferred, through two separate \$1,000 transactions, into an account in Ms. Craig’s name ending in #[Account 3];
- a “merchant payment” was made to “summer furniture” for \$2,000; and
- \$5,000 was transferred, through two separate transactions of \$2,000 and \$3,000, into an account in Ms. Craig’s name ending in #[Account 2].

Similarly, on May 18, 2021, two transfers were made—each in the amount of \$1,000—out of the account and into Ms. Craig’s account ending in #[Account 2].

Date	Transaction Type	Debit	Credit
May 13, 2021	Deposit titled, in part, “PPP funding” and “Wanda Craig SBA funding”		\$20,832
May 14, 2021	Transfer to Ms. Craig’s account #[Account 2]	\$3,000	
	Debit card “cash app” purchase	\$1,000	
	check	\$2,000	
	check	\$3,000	
May 17, 2021	Transfer to Ms. Craig’s account #[Account 3]	\$1,000	
	Transfer to Ms. Craig’s account #[Account 3]	\$1,000	
	Merchant payment to “summer furniture”	\$2,000	
	Transfer to Ms. Craig’s account #[Account 2]	\$2,000	
	Transfer to Ms. Craig’s account #[Account 2]	\$3,000	
May 18, 2021	Transfer to Ms. Craig’s account #[Account 2]	\$1,000	
	Transfer to Ms. Craig’s account #[Account 2]	\$1,000	
Total		\$20,000	\$20,832

Within five days of the \$20,833 deposit, there was \$20,000 spent or transferred—in quantities over \$1,000—from Ms. Craig’s account ending in #[Account 1]. In contrast, bank statements covering the period of June 16, 2021 through January 14, 2022, showed that during that approximately six-month period there was only one transfer or purchase over \$1,000 from Ms. Craig’s account ending in #[Account 1].

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.”⁶ The DHS Rules of Employee Conduct also explicitly require, as “a condition of employment,” that employees “provide full cooperation with any investigation” conducted by agencies, including the OEIG, and requires that cooperation be “truthful and complete.” The State Officials and Employees Ethics Act (Ethics Act) requires employees to provide full and truthful cooperation with OEIG investigations, as a condition of their employment.⁷ In addition, the State of Illinois Code of Personal Conduct provides that “A State Employee will conduct himself or herself...with

⁶ DHS Administrative Directive 01.02.03.040.

⁷ 5 ILCS 430/20-70.

integrity and in a manner that reflects favorably upon the State.”⁸

Based on the records obtained in this case, a PPP loan application was submitted in the Ms. Craig’s name with personal information including her SSN, bank account number, a copy of her driver’s license and bank statement. The business in the loan application she admitted was not a business she owned, and she further indicated that the gross income of \$113,971 for the business in her name listed on the PPP loan application was incorrect. The bank records show that the \$20,832 in loan proceeds were deposited into Ms. Craig’s bank account and the proceeds were immediately used or transferred to her other accounts. In her interview, however, Ms. Craig denied filling out the PPP loan application and denied giving anyone permission to fill out the application on her behalf.

Ms. Craig’s denials to OEIG investigators, however, seem farfetched. Rather than expressing or evidencing any concern for the misuse of her identity to commit bank fraud, Ms. Craig simply speculated that she may have been “hacked” or that her relatives may have submitted the PPP loan application without her knowledge. While this is an unusual reaction to identity theft, it also does not explain why someone would use Ms. Craig’s identity to obtain loan proceeds that were then deposited into Ms. Craig’s account for which no one else but Ms. Craig had access.

When Ms. Craig was asked about the \$20,832 loan proceeds, Ms. Craig stated that she did not think she had received that money. When asked if her bank account would reflect a \$20,832 deposit, Ms. Craig replied, “We’ll have to see what the documents say.” Her claims of ignorance regarding the receipt of the \$20,832 loan proceeds are not credible. First, Ms. Craig confirmed that the photograph of the bank statement submitted with the loan application was associated with her personal bank account, she had not switched banks, and the #[Account 1] account was her current account. Her bank records indicate that Ms. Craig did not have any authorized users on her bank account ending in #[Account 1]. Second, Ms. Craig’s bank statements show a deposit on May 13, 2021, of \$20,832 titled, in part, “PPP funding” and “Wanda Craig SBA funding,” giving an explicit indication of the source of those funds. Third, in the days following the \$20,832 loan deposit into Ms. Craig’s account, her bank statements show repeated transfers of money and large purchases made from the account. Particularly, within five days following the PPP deposit, there was \$20,000 spent or transferred to another account in Ms. Craig’s name—in quantities over \$1,000. These are not the actions of someone who is not aware of a large deposit into their account especially in light of the fact that bank statements covering the approximately six-month period of June 16, 2021 through January 14, 2022, showed that during that period there was only one transfer or purchase over \$1,000 from Ms. Craig’s account ending in #[Account 1]. Furthermore, the account ending in #[Account 1] is the same account that Ms. Craig continues to receive her direct deposit State paychecks. If someone had hacked or improperly used her bank account to deposit and use the PPP funds, why would Ms. Craig continue for years to have her sole source of income be subject to possible theft.

During her OEIG interview, Ms. Craig claimed that life insurance proceeds were deposited into her account during the same time period, implying that she may have spent the PPP proceeds believing they were part of the life insurance deposit. However, again, Ms. Craig’s attempts to distance herself from the PPP proceeds during her interview were not believable. First, Ms. Craig said that the estimated life insurance amount she received was only \$10,000; the PPP loan proceeds

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

were \$20,832. The difference in amounts would have provided Ms. Craig with additional notice that she received the PPP deposit into her account. Additionally, bank records show that approximately \$10,000 was deposited into her account on May 7, 2021, and that \$7,402 of that amount was transferred or spent out of her account before the PPP deposit was made on May 13, 2021. Because Ms. Craig spent or transferred almost the entirety of the first deposit before the PPP loan proceeds were deposited into her account it seems unlikely that Ms. Craig could have confused the two payments or been unaware of the second deposit. Accordingly, Ms. Craig's assertions to OEIG investigators that she was unaware of the PPP loan deposit were not plausible or credible.

In sum, Ms. Craig failed in her obligation as a DHS employee to provide full cooperation with an OEIG investigation by not providing "truthful and complete" statements. Ms. Craig's claim that she was unaware of the receipt of the \$20,832 loan proceeds and suggesting that she did not know if the records would show the deposit was not truthful nor was it complete. As outlined above, the records did in fact show the deposit and subsequent transactions indicating Ms. Craig's awareness, at minimum, of the loan proceeds. Thus, Ms. Craig's attempts to distance herself, in contradiction to the records, is a failure to cooperate with the OEIG.

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.⁹ Further, due to "unique concerns" related to secondary employment during an official leave of absence, employees on leave are specifically instructed to submit a form when beginning any secondary employment and again within 30 days of returning from leave.¹⁰

Documents from Ms. Craig's DHS personnel file show two secondary employment forms for Ms. Craig submitted in 2022, on which no secondary employment was reported. No subsequent forms were found, and Ms. Craig admitted she did not disclose her additional job as secondary employment to DHS because she is on leave, but said that she is aware she is required to do so. Ms. Craig's failure to do so violated DHS Administrative Directives on secondary employment for employees on an official leave of absence.

Thus, there is reasonable cause to believe Ms. Craig was aware of and accepted loan proceeds obtained with false information. Ms. Craig's statements to OEIG investigators to the contrary, demonstrate a failure in her obligation to provide full cooperation with an OEIG investigation by providing only "truthful and complete" statements and conduct unbecoming of a State employee, in violation of 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:**

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.*

¹⁰ *Id.*; also see DHS Administrative Directive 01.02.02.230 (Leaves of Absence).

- **[REDACTED]** – Ms. Craig made untruthful statements during her OEIG interview in violation of DHS and State of Illinois policies on employee conduct.
- **[REDACTED]** – Ms. Craig failed to report secondary employment in violation of DHS policy.

Both DHS policy and the Ethics Act require employees to provide full and truthful cooperation with OEIG investigations, as a condition of their employment. Additionally, State employees are expected, at minimum, to maintain the public’s trust and confidence. Providing false statements to OEIG investigators—particularly when the false statements revolve around the improper use of public funds—is not fitting a State employee. Such conduct is far from ethical, reflects unfavorably upon the State, and erodes the public’s trust and confidence. Accordingly, the OEIG recommends that DHS take whatever disciplinary action it deems appropriate with regard to Ms. Craig, up to and including termination.

Date: August 22, 2023

Office of Executive Inspector General
for the Agencies of the Illinois Governor
69 West Washington Street, Ste. 3400
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By: **Kelly Fasbinder**
Assistant Inspector General

Brady Bertrand
Investigator #140



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

September 7, 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 Report for Complaint 23-00127

Dear Executive Inspector General Haling:

This letter responds to the Final Report for the complaint listed above. The Department of Human Services (DHS) is currently reviewing the complaint. Your office will receive an update as this matter moves 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 23-00127

Dear Executive Inspector General Haling:

This letter updates a previous response for the Final Report for Complaint Number 23-00127. That Final Report details two [REDACTED] allegations, regarding making untruthful statements during your office's investigation and failing 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