



OEIG Investigation No.: 23-01196
Subject(s) Name(s): Michelle Pickering

Investigative Summary Report Publication

The Executive Ethics Commission ("Commission") is responsible for publishing the attached redacted Executive Inspector General for the Agencies of the Illinois Governor investigative summary report pursuant to the State Officials and Employees Ethics Act. 5 ILCS 430/20-52. An Executive Inspector General issues an investigative summary report at the conclusion of an investigation if they determine that reasonable cause exists to believe a violation has occurred. 5 ILCS 430/20-50. The Commission did not write the report, conduct the investigation leading to the report, or impose any discipline upon the subject of the report.

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The Ethics Act requires the Commission to publish an investigative summary report and ultimate jurisdictional authority's response if the report's subject was terminated or suspended for three days or more. 5 ILCS 430/20-52(a). Otherwise, the Commission may, but does not have to, publish the report and response. The ultimate jurisdictional authority varies from report to report and is typically the constitutional officer overseeing the subject's work location.

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The Ethics Act also requires the Commission to redact, or remove, some information from investigative summary reports before publishing them. 5 ILCS 430/20-52(b). The Commission must redact information that may reveal the identity of witnesses, complainants, or informants or where the Commission determines that redaction is appropriate to protect the identity of a person. The Ethics Act permits the Commission, in its discretion, to redact other information it does not believe should be made public.

Before the Commission publishes a redacted report, it sends the report with the proposed redactions to the subject(s), the Executive Inspector General, and the Office of the Attorney General to review the proposed redactions, offer suggested redactions, and/or provide a response to be published with the report. 5 ILCS 430/20-52(b). The subject has an opportunity to provide a response to the report. If the report is published, the subject's response may be published as well. If the Executive Inspector General finds reasonable cause to believe that the subject(s) violated the Ethics Act's prohibition against sexual harassment, the Commission also sends the report with proposed redactions to the complainant for review and an opportunity to provide a response. 5 ILCS 430/20-63(b)(7).

Investigative Summary Report Publication Considerations

The Commission exercises its investigative summary report publication responsibilities only after thoughtful consideration. While the Ethics Act allows a subject to submit a response to be published with the report, it does not allow a subject to request a hearing before the Commission regarding the contents of a report. By publishing the following redacted report, the Commission neither makes nor adopts any arguments, allegations, determinations of fact, or conclusions of law relating to the subject or any other individual or entity referenced therein.

If you have questions about the content of the report, please contact the Executive Inspector General for the Agencies of the Illinois Governor. For enquiries about the Commission's publication process, please email eec@Illinois.gov or visit eec.illinois.gov for additional information.

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

Investigation Case No. 23-01196



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 self-initiated this investigation regarding a PPP loans in the amount of \$20,829 obtained by Michelle Pickering while employed at the Illinois Department of Human Services (DHS). During her interview with the OEIG, Ms. Pickering admitted that she caused a PPP loan application to be submitted, that the application ultimately contained false information, and that she accepted and spent the funds from the PPP loans.

II. BACKGROUND

Ms. Pickering began working for the Illinois Department of Human Services (DHS) in June 2011, and became a Mental Health Tech 3 in November 2016.

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 prior to March 2021 could be based on “net profit” reported on an IRS Form 1040, Schedule C, and 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 Michelle Pickering

The OEIG located public records from the SBA showing that Ms. Pickering received a PPP loan for a sole proprietorship for \$20,829 in April 2021. The OEIG subpoenaed loan documents from the lender, which included a PPP “Borrower Application Form Revised March 18, 2021” signed in Ms. Pickering’s name and dated April 23, 2021. The “Self-employed individual” box

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 refer 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 Rules, 86 FR 3692 (Jan. 14, 2021) & 86 FR 13149 (Mar. 8, 2021) (expanded definition of “payroll costs” for sole proprietors); *see also* SBA Paycheck Protection Program Guidance (June 26, 2020), available at https://www.sba.gov/sites/default/files/2020-12/How_to_Calculate-Loan-amounts-508_6-26-20.pdf; 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).

was checked on the application, the Business Legal Name was “Michelle Pickering,” the year of establishment was listed as January 1, 2018, Ms. Pickering was identified as the sole employee, and the business was categorized under a code for “Taxi and Ridesharing Services.” The loan application contained various certifications, all reflecting the initials “MP,” which included a statement that the applicant “was in operation on February 15, 2020 and had employees for whom it paid salaries and payroll taxes or paid independent contractors”; 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 for tax year 2020 as \$99,980. That figure was used to calculate the loan amount of \$20,829 (intended to cover a period up to 2.5 months). A 2020 Schedule C Profit or Loss From Business form for a “ride sharing, taxi, and limousne [sic] services” business with Ms. Pickering listed as the proprietor, which listed gross income of \$99,980 and various expenses totaling \$3,600, was submitted with the loan application.

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

- a photograph of Ms. Pickering; and
- photographs of Ms. Pickering’s Illinois Identification Card.

The loan documentation included a “Note” dated April 30, 2021, for a loan in the amount of \$20,829, with a signature in Ms. Pickering’s name. A PPP loan forgiveness application was dated September 14, 2021, and contained a signature in Ms. Pickering’s name, indicating that \$15,000 of the loan was spent on payroll costs and requesting forgiveness of the full amount of \$20,829 loan. 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 document, included in the lender documents, stated that the loan had been forgiven in full on November 15, 2021.

B. Secondary Employment Information

The OEIG also obtained and reviewed the DHS personnel file for Ms. Pickering, which contained Reports of Secondary Employment submitted in 2019, 2020, 2021, and 2022. The form submitted in 2019 reported that Ms. Pickering worked as a “caregiver” for a company called RAH outside her DHS work hours. None of the other forms documented that she had reported any secondary employment.⁵

C. Michelle Pickering’s OEIG Interview

On August 30, 2023, the OEIG interviewed Michelle Pickering. Ms. Pickering said that since working at DHS she has not owned a business or had any secondary employment or any

⁵ [Redacted].

other forms of income outside of her State employment. Ms. Pickering said she was not familiar with the DHS secondary employment policy, and claimed that she did not know she had obligation to report secondary employment to DHS, seek approval for secondary employment from DHS, or submit secondary employment forms to DHS annually. Ms. Pickering said she could not remember ever submitting a secondary employment form and said she did not recall the forms signed and submitted in her name from 2019 through 2022. However, after being shown the forms in the interview, Ms. Pickering confirmed that she signed the 2020, 2021, and 2022 forms, did not list any secondary employment, and that the information found on the form was accurate and correct. Ms. Pickering also confirmed that she signed the 2019 form, listed secondary employment, and that the information on the form was accurate and correct. Ms. Pickering initially claimed she did not remember working for RAH, but later said she provided care for one client for the company and made less than \$5,000 during her time working there. Ms. Pickering said she did not currently have approved secondary employment and that the last approved secondary employment she had was with RAH.

Ms. Pickering denied ever owning or operating any business and ever being self-employed. Ms. Pickering also claimed that she had not applied for any loans for any businesses. When shown the PPP loan application in her name during the interview, Ms. Pickering claimed that she had not seen it before and did not fill it out, but said it had been submitted by Individual A.⁶ Ms. Pickering claimed that while she was shopping at a grocery store she came across Individual A talking to another person about obtaining a loan to start a business. Ms. Pickering claimed that at that time she was thinking about starting her own business, and Individual A told her that Individual A could obtain funding for Ms. Pickering to start her own business.

Ms. Pickering said that she had never owned a taxi or ridesharing business. However, Ms. Pickering claimed that she considered opening a business by making deliveries for warehouses called DWR. Ms. Pickering said she has a [redacted] and can only drive for approximately 10 minutes at a time, so she would have someone else do the driving for her business. Ms. Pickering claimed she never provided Individual A with her business idea or possible business name. Ms. Pickering confirmed she only had an idea for starting a business and it was never in operation or earned any money.

Ms. Pickering confirmed she gave Individual A all her personal information while at the grocery store, including her State ID, Social Security Number (SSN), phone number, email address, and bank account information.⁷ Ms. Pickering claimed that she only had that one interaction at the grocery store with Individual A, and she never obtained any contact information for Individual A or ever met or spoke with Individual A again.

Ms. Pickering confirmed her name, business address, SSN, and phone number were accurately listed on the application, but claimed that the listed email address was not her email address and had never seen it before. Ms. Pickering claimed she did not check the self-employed

⁶ Ms. Pickering provided OEIG investigators with the first name of Individual A and claimed not to know the individual's last name. Ms. Pickering described Individual A to investigators and claimed Individual A was not a State employee.

⁷ Ms. Pickering said she provided Individual A with the bank account information for the bank account her State paycheck is deposited into.

box, apply the year of establishment, or the business code to the application, and noted that there was no employee of the business because it was never created. Ms. Pickering claimed that she had no idea where the listed 2020 gross income of \$99,980 came from, and she did not provide that number to Individual A. Ms. Pickering said the listed \$99,980 income was not accurate because she never had a business. Ms. Pickering claimed that she did not sign or initial the application and did not give anyone permission to do so on her behalf. Ms. Pickering reiterated that she did not submit the application, and that Individual A did so on her behalf. Ms. Pickering said the information listed on the application was not true and accurate and she did not review the application before it was submitted or even ask to review it.

When shown a copy of the 2020 Schedule C submitted with the loan application in her name, Ms. Pickering said she was not familiar with it and had never seen it before. Ms. Pickering claimed that she did not know how it was submitted as she did not fill it out and did not give Individual A permission to fill it out. Ms. Pickering acknowledged that she gave Individual A permission to submit a PPP loan application on her behalf. Ms. Pickering confirmed that her name and SSN were accurately listed on the form. Ms. Pickering claimed she did not list the principal business or profession as ridesharing, taxi, and limousine services, but assumed that Individual A completed that. Ms. Pickering confirmed that all the information listed on the Schedule C was false except for her name and SSN. Ms. Pickering said she did not review the Schedule C or ask to review it before it was submitted.

When shown images of an Illinois Identification (ID) Card and photographs that were submitted with her application, Ms. Pickering confirmed that they were images of her and that the photo was of her ID card. Ms. Pickering said she gave Individual A the images of her State ID card and gave Individual A permission to submit images of her State ID card with the PPP loan application on her behalf. Ms. Pickering confirmed that she provided the information and images for the purpose of applying for a PPP loan.

When shown a copy of the Note during her interview, Ms. Pickering claimed she was not familiar with it, and did not know who submitted it or how. Ms. Pickering claimed she did not initial or sign the Note as the borrower for the loan in the amount of \$20,829, but admitted she gave Individual A permission to sign it on her behalf. Ms. Pickering confirmed that when Individual A applied Ms. Pickering's name to the Note, Ms. Pickering agreed to the terms listed in the loan. Ms. Pickering confirmed her bank account number and routing number were listed on the Note, and claimed she provided that information to Individual A during their one and only meeting at the grocery store. Ms. Pickering claimed a family member was also listed on the account, but said the family member did not have access or the password to the account or the ability to make withdrawals or deposits. Ms. Pickering confirmed her DHS salary was deposited into the same bank account.

Ms. Pickering said that she received the loan funds and spent it. Ms. Pickering added she was under the assumption it was a loan to start a business. However, Ms. Pickering admitted that she did not spend the funds on anything related to a business, and instead used it to pay her rent, credit card bills, and medical bills. Ms. Pickering said she spent all the money she received from the PPP loan, but could not recall how long it took her to spend it. Ms. Pickering claimed she did not pay Individual A for submitting the PPP loan on her behalf.

Ms. Pickering stated she does not know if her PPP loan was forgiven. When shown a copy of the PPP Loan Forgiveness Application submitted in her name, Ms. Pickering claimed she had never seen it before, and she did not fill it out, but assumed Individual A did. Ms. Pickering claimed she thought she was going to have to pay back the loan eventually. Ms. Pickering confirmed that her name, phone number, SSN, and her home address were accurately listed on the form, but claimed she did not recognize the email address. Ms. Pickering claimed that she did not sign or initial the document and did not give anyone permission to do so on her behalf. Ms. Pickering said that she did not spend \$15,000, or any amount, on payroll, as listed on the document, because she never had a business.

Ms. Pickering claimed that she was not familiar with the Forgiveness Letter in her name shown to her during the interview. Ms. Pickering confirmed her name was listed as the borrower and that it showed the loan amount of \$20,829 and interest was forgiven on November 15, 2021. Ms. Pickering claimed she did not know the loan was forgiven, but said she did not make any payments on the loan and never received any requests to make payments on the loan.

Ms. Pickering admitted that none of the information on the loan application and associated documents, aside from her personal information, was true and accurate, and that her receipt of the PPP loan funds was a violation of State ethics rules.

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.”⁸ 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 requires employees to provide full and truthful cooperation with OEIG investigations, as a condition of their employment.⁹ 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.”¹⁰

Ms. Pickering acknowledged that she obtained a PPP loan for \$20,829 in April 2021, that she received and spent the proceeds, and records confirm that the loan was ultimately forgiven. The information in Ms. Pickering’s loan documentation, however, was false. Specifically, Ms. Pickering’s loan application listed 2020 gross income from a “self-employed individual” in an amount of \$99,980. In her interview, Ms. Pickering admitted that she had never owned a business or had any secondary employment aside from brief employment with a home care company from which she earned less than \$5,000. She also confirmed that she did not earn the \$99,980 in annual income listed on the loan documents.

⁸ DHS Administrative Directive 01.02.03.040.

⁹ 5 ILCS 430/20-70.

¹⁰ Illinois Code of Personal Conduct, Conduct Unbecoming of a State Employee (2017 & March 17, 2021).

Ms. Pickering’s statements that she did not complete, initial, or even see any of the PPP loan application or forgiveness documents, do not absolve her of responsibility. Ms. Pickering admitted that she authorized Individual A, a stranger she met at a grocery store, to take action for the purpose of obtaining a loan on her behalf, and confirmed that she provided Individual A with her personal information, including her SSN, banking information, and a copy of her State ID, for that purpose. Nevertheless, there is no evidence that Ms. Pickering took any reasonable steps to ensure the information being submitted on her behalf was accurate. For instance, Ms. Pickering provided her personal information to an individual she met once at a grocery store without even attempting to find out information about Individual A, including last name or contact information. Ms. Pickering also did not ask for more information about what the funds were for, or how they could be used, and did not ask to review any documents being submitted on her behalf. In addition, Ms. Pickering admitted that she received and spent all of the funds from the loan on personal purchases, and did not make any payments toward the loan. Thus, Ms. Pickering caused to be 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.

Based on the evidence, there is reasonable cause to believe that Ms. Pickering 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]** – Ms. Pickering obtained a federal PPP loan based on falsified information in violation of DHS and State of Illinois policies on employee conduct.

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 Michelle Pickering.

Date: January 3, 2024

Office of Executive Inspector General
for the Agencies of the Illinois Governor
69 West Washington Street, Ste. 3400
Chicago, IL 60602

By: **Kelly Fasbinder**
Assistant Inspector General

Jacob Blanchette
Investigator #130



JB Pritzker, Governor

Dulce M. Quintero, Secretary Designate

Office of the General Counsel
69 W. Washington St. • Ste. 901 • Chicago, IL 60602

January 4, 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: Response to the Final Reports for Complaints Transmitted on January 3, 2024

Dear Executive Inspector General Haling:

This letter responds to the set of seven Final Reports for the complaints transmitted to the Department of Human Services (DHS) on January 3, 2024. 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/ Dulce Quintero by /s/ Robert J. Grindle

Dulce Quintero
Secretary-designate



JB Pritzker, Governor

Dulce M. Quintero, Secretary Designate

Office of the General Counsel

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

September 24, 2024

Via e-mail to Senior Paralegal Debbie Yang (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 23-01196

Dear Executive Inspector General Haling:

This letter updates a previous response for the Final Report for Complaint Number 23-01196. That Final Report details one [REDACTED] allegation regarding the federal Paycheck Protection Program (PPP). It makes one recommendation. The recommendation is being followed.

The Department of Human Services (DHS) began the disciplinary process against the employee. The employee resigned from State employment before the disciplinary process could complete.

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



JB Pritzker, Governor

Dulce M. Quintero, Secretary Designate

Office of the General Counsel

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

January 17, 2025

Via e-mail to Executive Assistant Debbie Yang (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 23-01196

Dear Executive Inspector General Haling:

The Department of Human Services (DHS) previously provided your office an update for the Final Report for Complaint Number 23-01196. However, additional information has become known. The final disposition of this matter is that DHS discharged this employee, all grievance or appeal actions are completed, and this individual remains discharged.

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