



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB2560

Introduced 2/19/2021, by Rep. Deanne M. Mazzochi

SYNOPSIS AS INTRODUCED:

820 ILCS 405/901.5 new

Amends the Unemployment Insurance Act in relation to fraudulent claims through identity theft. Provides that individuals and employers that become aware of a fraudulent claim for benefits relating to the individual or employer shall report the claim to the Department of Employment Security. Requires the Department to acknowledge receipt of the report within 48 hours of receipt. Provides that the Department shall disclose whether payments were made with respect to the claim. Limits penalties that the Department of the Department of Revenue may impose upon a party reporting a fraudulent claim. Authorizes recovery from the State if a State systems breach caused the fraudulent claim. Provides for referral to, and investigation by, the Attorney General.

LRB102 14972 JLS 20327 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning employment.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Unemployment Insurance Act is amended by
5 adding Section 901.5 as follows:

6 (820 ILCS 405/901.5 new)

7 Sec. 901.5. Fraudulent benefit claims through identity
8 theft.

9 (a) If an individual becomes aware that an application has
10 been made for benefits in his or her name and neither that
11 individual nor anyone acting on that individual's behalf has
12 applied for benefits, the individual shall notify the
13 Department of the potential for a fraudulent claim involving
14 identity theft. If an employer becomes aware that an
15 application has been made for benefits in the name of a current
16 or former employee or someone representing himself or herself
17 to be a current or former employee and reasonably believes the
18 application is fraudulent for reasons of identity theft, the
19 employer shall notify the Department of the potential for a
20 fraudulent claim or identity theft.

21 (b) The Department shall publish on its website both an
22 email address and a postal service address to accept
23 correspondence relating to fraud notifications under

1 subsection (a).

2 (c) The Department shall respond to the notification of
3 fraud within 48 hours of receipt. Such notification shall
4 constitute proof of service of the fraudulent report. The
5 Department shall also notify the Illinois Department of
6 Revenue.

7 (d) Within 15 calendar days after receipt of a
8 notification, the Department must notify, in writing, if
9 submissions were provided in writing, or electronically, if
10 submissions were made electronically, the individual who
11 provided notice of the alleged fraud or identity theft whether
12 the State of Illinois has issued any monetary payments based
13 on that claim.

14 (e) Neither the Department nor the Department of Revenue
15 may impose any penalties or seek reimbursement from any
16 individual or employer for fraudulent benefit claims involving
17 the individual or employer unless the individual or employer
18 was a knowing, voluntary participant in the fraudulent scheme.

19 (f) If the reason for the fraudulent claim for benefits or
20 identity theft is the result of a breach of State systems, an
21 individual or employer has the right to secure reimbursement
22 for reasonably foreseeable expenses resulting from the breach.

23 (g) All cases of fraud or identity theft must be referred
24 by the Department to the Attorney General. Within 90 days
25 after the referral is made, the Attorney General must report
26 to the victim, in writing, the result of the investigation and

1 what action was taken toward prosecution. If no action was
2 taken toward prosecution, the reason shall be stated in
3 writing.