OEIG Investigation No.: 22-02050
Subject(s) Name(s): Candice Brumfield

Investigative Summary Report Publication
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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).

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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. 22-02050

[Redacted].

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 $20,208 PPP loan obtained by Candice Brumfield while employed at the Illinois Department of Employment Security (IDES). In an OEIG interview, Ms. Brumfield claimed that she engaged in unreported outside employment, but admitted that the gross income amount used to apply for the PPP loan was inaccurately inflated and that she obtained and spent the PPP proceeds.

II. BACKGROUND

Candice Brumfield has worked for IDES as an Employment Security Program Representative since May 2018.

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 Candice Brumfield

The OEIG located public records from the SBA showing that Candice Brumfield received a $20,208 loan on April 2, 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. Brumfield's name and dated April 2, 2021. The "sole proprietor" box was checked, the Business Legal Name was "Candice Brumfield" with establishment year 2019, and the business 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).

categorized under a code for "Offices of Physicians (except Mental Health Specialists)." Ms. Brumfield was identified as the sole employee. Boxes checked under "Purpose of the loan" were for payroll costs and utilities. The form contained various certifications, all reflecting the initials "CB," 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 loan application, the gross income from tax year 2019 from the "IRS Form 1040, Schedule C, line 7" was identified as $97,000. That figure was used to calculate the loan amount of $20,208 (intended to cover a period up to 2.5 months). A 2019 IRS Form 1040, Schedule C was also submitted, which identified Ms. Brumfield as the sole proprietor at [redacted], the principal business or profession as "Nursing and Residential Care" and a business code for "Continuing Care Retirement Communities." The gross income was listed as $97,000, expenses were listed totaling $7,000, and net profit claimed was $90,000.

Also included with the loan paperwork were [Financial Institution 1] statements for January and February 2021 in Ms. Brumfield's name.

A "Note" was dated April 2, 2021, and contained an electronic signature in Ms. Brumfield's name for a loan in the amount of $20,208. A PPP loan forgiveness application was dated October 30, 2021 and signed in Ms. Brumfield's name, indicating the amount spent on payroll costs was $14,400 and requesting forgiveness of the full amount of $20,208. 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 stated the loan had been forgiven in full on November 12, 2021.

B. Statements Of Economic Interests And IDES Secondary Employment Information

The Illinois Governmental Ethics Act[5] requires certain State employees, including some IDES employees, to file annual Statements of Economic Interests regarding assets and income related to non-State business. During its investigation, the OEIG learned that Ms. Brumfield is required to complete the Illinois Secretary of State's annual Statement of Economic Interests (SEI).[6] The OEIG obtained the SEI filed in Ms. Brumfield's name that covered 2021.[7] Ms. Brumfield did not list any business interest as an asset, nor did Ms. Brumfield list any source of income from any business outside State employment.

[5] 5 ILCS 420/4A-101(f).

[6] State employees submit SEI forms the year following the calendar year the economic interests occurred. This report's references to the years of certain SEI forms are referring to the years in which the economic interests are reported to have occurred, not the year in which the forms were filed.

[7] The OEIG also obtained other SEIs in Ms. Brumfield's name that covered other calendar years. During her interview with the OEIG, Ms. Brumfield confirmed that she signed and submitted the SEIs the OEIG obtained.

The OEIG also requested the IDES personnel file for Ms. Brumfield, including anything related to her secondary employment. The personnel file provided by IDES for Ms. Brumfield did not contain any documentation showing that she had reported secondary employment.[8]

C. Candice Brumfield's OEIG Interview

On October 12, 2022, OEIG investigators interviewed IDES Employment Security Program Representative Candice Brumfield. Ms. Brumfield stated that she has worked at IDES in her current position since May 2018.

Ms. Brumfield stated that in addition to her State employment, she was self-employed and operated a credit repair business called CanBee Financial (CanBee) from February 2021 until March 2022. Ms. Brumfield said through CanBee, she served approximately four or five clients in 2021 assisting them with credit repair services and providing credit coaching, but did not have any clients in 2022. Ms. Brumfield said that the clients she served in 2021 were her "test clients" and that she did not charge them. Ms. Brumfield explained that she provided the "test clients" with credit coaching and monitoring to market her business and to show results. Ms. Brumfield stated that her fee for credit monitoring was going to be $29.99 monthly per client, but reiterated that she did not have any paying clients. Ms. Brumfield stated she ultimately closed her CanBee business in 2022 because she was unable to maintain paying clients.

Ms. Brumfield stated she applied for a business funding loan and, while she was unsure of the exact name of the business loan, said it could be a PPP loan. When shown the PPP loan application, Ms. Brumfield said she was unfamiliar with the application and then claimed that she did not believe it was a PPP loan that she applied for and received. Ms. Brumfield confirmed that her name, address, social security number, phone number, and email address were listed on the application, but said that it was her first time seeing the PPP loan application and she did not fill it out or submit it. Ms. Brumfield stated she had never owned and operated a business as a sole proprietor and she was unfamiliar with the $97,000 listed for the gross income. However, Ms. Brumfield acknowledged that the loan amount of $20,208 looked similar to the amount of the business funding loan that she received for CanBee. Ms. Brumfield claimed she did not initial or electronically sign the application or give anyone permission to sign the application on her behalf.

Ms. Brumfield said that she was part of a credit repair cloud group that referred her to a Facebook business group. Ms. Brumfield claimed she could not provide the name of the Facebook group she joined and said she did not know any of the members personally, but explained that it consisted of over 1,000 people and she joined the group to get assistance with marketing, coaching, and other business-related needs. Ms. Brumfield explained that from that group, there were about 20 people that joined a second Facebook business group in February 2021, and, although she could not provide the name of the group and did not know any of the group members, said they all shared their personal information within the group and then received "evites" to join a smaller business group to discuss business loans.

[8] IDES' Code of Ethics prohibits employees from taking "part in outside business or other employment or activities if it conflicts with their full and proper discharge of official job duties and responsibilities." IDES Code of Ethics, Conflicts of Interest, 1059.70.701.

Ms. Brumfield said the group communicated using the message features on Facebook and that she eventually shared her personal information with one of the main group members—an unknown male (Individual A)—via messaging.[9] Ms. Brumfield explained that she sent her personal information to Individual A because she was told that he would assist her in obtaining some funding to start CanBee and get it running, although she said he did not discuss how much loan money he would try to obtain for her. Ms. Brumfield claimed that she was told she was applying for a business startup funding loan and said she wanted the loan to assist with funding CanBee. Ms. Brumfield said she ultimately messaged Individual A her name, a copy of her driver's license, social security number, date of birth, cellphone number, email address, home address, and her bank account and routing numbers. Ms. Brumfield stated she did not provide her tax returns, bank statements, or any other documents to Individual A, he did not ask her about her business's gross income, and she did not provide the gross income of $97,000 that was listed on the loan application. Ms. Brumfield also claimed she did not give Individual A permission to sign the application.

When shown the 2019 Schedule C that was submitted with her PPP loan application, Ms. Brumfield claimed she had not seen it before. Ms. Brumfield confirmed her name was listed on the Schedule C, but said the address listed on it was an old address that she had resided at in 2020, and she was unsure how Individual A obtained the address. Ms. Brumfield stated she did not provide any expense amounts to Individual A and did not provide the expenses listed on the form. Ms. Brumfield claimed that she gave Individual A permission to submit a loan application on her behalf, but did not give him permission to submit the Schedule C form on her behalf. Ms. Brumfield claimed that she did not receive any loan documents to read or review. Ms. Brumfield eventually said that the loan application should not have been submitted on her behalf because the nature of the loan was different than what she expected. However, Ms. Brumfield admitted she did not ask Individual A any questions related to the completion of the loan application.

Ms. Brumfield said that Individual A eventually communicated with her via Facebook to let her know that her loan was approved. Ms. Brumfield confirmed that she received the loan amount of approximately $20,208 directly deposited into her [Financial Institution 1] account.[10] Ms. Brumfield said that after the loan money was deposited into her bank account in April 2021, she contacted Individual A on Facebook and told him she had received the business funding loan. Ms. Brumfield claimed that she did not pay Individual A. Ms. Brumfield said that Individual A was one of the main financially literate members in the Facebook group and he provided coaching and assistance with marketing. Ms. Brumfield stated she did not believe Individual A was looking to receive any funds for the services he provided and that he just wanted to assist everyone to get their "business going."

[9] Ms. Brumfield said she never met Individual A in person, but believed that he was a male due to his Facebook profile photo. Ms. Brumfield claimed she never communicated with Individual A via email or phone and no longer has access to the Facebook messages because he "unsent" the messages, meaning he removed the messages. Ms. Brumfield stated she ultimately deleted the messages because the communication was "one-sided." Ms. Brumfield stated she stopped being a member of the Facebook business group in March 2022, when she stopped operating CanBee. During the interview, Ms. Brumfield attempted to locate the Facebook group using her cellphone; however, she said she was unable to locate the group.

[10] When shown a copy of the SBA Note, which showed an electronic signature in her name, Ms. Brumfield denied electronically signing the form and said that someone signed the SBA Note form on her behalf.

Ms. Brumfield said that she used the loan money to fund CanBee, claiming that she paid for virtual office space, business insurance, credit repair software, website hosting and domain, a company that assisted with the creation of logos and flyers, and fees to the Secretary of State for a credit repair organization to register the business. Ms. Brumfield stated she also paid several monthly fees for adding a separate phone line for the business, a website, an online scheduling assistant to schedule her appointments, and a system that she used for emails. In total, Ms. Brumfield claimed that she spent approximately $17,000 to fund her business[11] and opened a business checking account with [Financial Institution 2] and deposited approximately $2,500.

When shown the PPP loan forgiveness application in her name, Ms. Brumfield claimed that she did not fill it out. Ms. Brumfield remembered Individual A explaining that she could obtain business funding, but claimed that she did not know anything about loan forgiveness. Ms. Brumfield confirmed her information was listed on the forgiveness application including the business/borrower, telephone number, address, social security, and email address. However, Ms. Brumfield claimed that she was unaware that the forgiveness application was submitted on her behalf, denied signing the document, and said she was unsure whether her PPP loan had been forgiven.

Ms. Brumfield said she had not reported secondary employment to IDES. Ms. Brumfield said that she is familiar with the SEI form and completed a form annually. Ms. Brumfield stated that she was familiar with the SEI form she submitted that covered 2021, that she marked "none" for all the questions, and claimed that she accurately completed the form.

IV. ANALYSIS

The IDES Code of Ethics requires that IDES' service to employers and the public be provided in accordance with all applicable laws, rules, and executive orders of the federal and State governments and "that employees are expected to "conduct themselves in an ethical and professional manner and to comply with all applicable laws and all provisions of this Code of Ethics."[12] The Code of Ethics also references the State of Illinois Code of Conduct, which contains a section entitled "Conduct Unbecoming of a State Employee that provides, "A State Employee will conduct himself or herself …with integrity and in a manner that reflects favorably upon the State."

Ms. Brumfield acknowledged that she received a PPP loan of $20,208 in 2021, and that she used the proceeds. While Ms. Brumfield claimed that she did not know whether her loan had been forgiven in full by the SBA, she made no mention of repayment terms or other efforts she made to repay the loan. Moreover, the information in Ms. Brumfield's loan documentation, was false. Ms. Brumfield's loan application listed 2019 gross income from a "sole proprietorship" in an amount of approximately $97,000. Ms. Brumfield, however, did not report any secondary

[11] Ms. Brumfield produced various invoices and receipts from February 2021 to June 2022, confirming some of the purchases at issue including for the CanBee financial domain name, a "virtual office," and an additional telephone line.

[12] IDES Code of Ethics, Policy, 1059.10. The IDES Code of Ethics also indicates that "[v]iolation of civil and/or criminal law by State employees in the conduct of their duties reflects poorly on State government and its employees." *Id.*

employment with IDES or list any relevant information on her SEI forms consistent with her having a sole proprietorship earning almost $100,000 yearly. Furthermore, while Ms. Brumfield claimed that she had outside employment with a business she owned, CanBee, she acknowledged that was not the business listed on the PPP loan application and admitted that CanBee had never made any profit, let alone made $97,000 in one year. In fact, CanBee was not even in operation in 2019, as Ms. Brumfield told investigators that she only ran the company from February 2021 until March 2022.

Ms. Brumfield claimed that she that did not sign any of the PPP loan documents containing her signature and had never seen them. However, Ms. Brumfield told OEIG investigators that she pursued the loan, had an unknown person (Individual A)—whose name she cannot remember and can no longer locate—complete the application for her, and provided Individual A with relevant information for the application including her name, a copy of her driver's license, social security number, date of birth, cellphone number, email address, home address, and her bank account and routing numbers. Even accepting these assertions at face value, Ms. Brumfield's decision to proceed with a loan without reviewing, signing any documents, or making any inquiry—if that indeed occurred—was her choice. Ms. Brumfield nevertheless admitted that she authorized the loan application process and received and spent the loan proceeds, without any repayment, exceeding $20,000. Based on the evidence, there is reasonable cause to believe that Ms. Brumfield violated IDES and State of Illinois policies on employee conduct.

V. [REDACTED] AND RECOMMENDATIONS

Based on the evidence detailed above, the OEIG has determined that there is **REASONABLE CAUSE TO BELIEVE THE FOLLOWING**:

- **[REDACTED]** – Candice Brumfield obtained a federal PPP loan based on falsified information in violation of IDES 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 public 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 IDES terminate Ms. Brumfield.

Additionally, the OEIG recommends that IDES consider revising its outside employment policy. Currently, the IDES Code of Ethics prohibits employees from taking "part in outside business or other employment or activities if it conflicts with their full and proper discharge of official job duties and responsibilities."[13] IDES should consider defining outside employment in a manner that clearly notifies employees what needs to be reported.[14] Additionally, as written, an

[13] IDES Code of Ethics, Conflicts of Interest, 1059.70.701.

[14] For example, the Illinois Department of Natural Resources' secondary employment policy defines "secondary employment" to mean working at a job other than an employee's Department position or serving on any business or governmental boards or committees, whether compensated or uncompensated; "private enterprise" means active participation in any business outside of the Department.

employee arguably does not need to get written approval, if the employee believes that there is not a conflict. It is preferrable for the policy to simply require the employee to report the proposed outside employment to the appropriate agency representative prior to accepting the outside employment or continuing the work, if it predated the employee's State employment. The agency, through its designee, should then make an objective assessment of whether the outside employment poses a conflict. This can also provide an agency with the opportunity to discuss with the employee the possible appearances of conflicts and the potential of abuse of State time or resources, especially for employees working remotely.

No further investigative action is needed, and this case is considered closed.

DATE: December 1, 2022

Office of Executive Inspector General
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By: Kelly Fasbinder #146
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ILLINOIS DEPARTMENT OF EMPLOYMENT SECURITY

Kristin A. Richards
Director

December 20, 2022

Sherry Bult
Senior Paralegal
Office of Executive Inspector General
69 West Washington Street, Suite 3400
Chicago, Illinois 60602

By email only: [redacted]@illinois.gov

Re: OEIG #22-02050

Dear Ms. Bult:

The letter is provided pursuant to 5 ILCS 430/20-50(a) and the Office of Executive Inspector General letter dated December 1, 2022, regarding the above-referenced matter. Disciplinary charges for termination of the employee at issue are being drafted and provided to the Department of Central Management Services pursuant to required procedures and will be served on the employee through the standard process. The employee at issue will have the right to appeal the disciplinary action after service of the charges through any statutory process available to them, and as a member of a union, the collective bargaining agreement grievance process may be utilized.

The Department of Employment Security (Department) has drafted an updated policy regarding secondary employment. This policy requires Department employees who engage in business or employment outside of their State employment to provide details of the secondary business or employment to the Department in writing to make an objective assessment of whether the outside employment poses a conflict. The updated policy will have an effective date of January 15, 2023. Training will be provided.

Please feel free to contact me if you require further information or if you would like to be updated on this matter.

[redacted]

Gina Wilson
Ethics Officer
Illinois Department of Employment Security
607 E. Adams Street, 9th Floor
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cc: Office of the Governor (Gov.OEIG@illinois.gov)

JB Pritzker
Governor

ILLINOIS DEPARTMENT OF EMPLOYMENT SECURITY

Raymond P. Marchiori
Acting Director

May 12, 2023

By email: [redacted]@illinois.gov
Sherry Bult
Senior Paralegal
Office of Executive Inspector General
69 West Washington Street, Suite 3400
Chicago, Illinois 60602

Re: Updated Response to OEIG No. 22-02050

Dear Ms. Bult:

This letter is follow-up regarding the above-subject case. IDES Employment Security Representative Candice Brumfield participated in a Pre-Disciplinary Meeting Friday, April 14, 2023. Her rebuttal was due Friday, April 21, 2023, and she was placed on Suspension Pending Discharge effective April 28, 2023. The discharge packet is pending and was submitted to CMS on May 9, 2023.

The Department will notify you of the outcome. Please feel free to contact me if you require anything further.

[redacted]

Gina Wilson
Ethics Officer
Illinois Department of Employment Security
[redacted]@illinois.gov

cc: Office of the Governor (Gov.OEIG@illinois.gov)

JB Pritzker
Governor

ILLINOIS DEPARTMENT OF EMPLOYMENT SECURITY

Raymond P. Marchiori
Acting Director

October 26, 2023

By email: [redacted]@illinois.gov
Sherry Bult
Senior Paralegal
Office of Executive Inspector General
69 West Washington Street, Suite 3400
Chicago, Illinois 60602

Re: Updated Response to OEIG No. 22-02050

Dear Ms. Bult:

This letter is follow-up regarding the above-subject case. I'm advised that IDES Employment Security Representative Candice Brumfield was discharged for cause on May 23, 2023. She subsequently submitted a Step 3 discharge grievance, and per the Collective Bargaining Agreement (CBA), the union and/or the grievant has the option to pursue arbitration if the grievance remains unresolved. To date, the step 3 meeting has not been scheduled, and it has been over four months since the Department's Labor Relations Management Office requested dates from the union to hear the step 3 priority grievance. The grievance is now untimely and will be denied if the union attempts to schedule a hearing. The union may request the grievance be heard at Step 4(a) under the CBA, and IDES will maintain its position that the grievance is untimely and should be withdrawn.

Because the union has not moved to schedule the grievance or move to Step 4(a) and the onus is on the union to move the grievance, the Department considers the matter closed. If anything changes, we will provide you with an update.

Please feel free to contact me if you require anything further.

[redacted]

Gina Wilson
Ethics Officer
Illinois Department of Employment Security
[redacted]@illinois.gov

cc: Office of the Governor (Gov.OEIG@illinois.gov)