



OFFICE OF THE INSPECTOR GENERAL
Illinois State Toll Highway Authority

NOTICE OF POSTING
OIG Case # IG-23-003
Respondent: Colleen Edwards

Pursuant to 605 ILCS 10/8.5 (e)(3), the attached redacted summary report is being posted to the Illinois Toll Highway Authority's (Tollway) public website. As required by law, the Tollway Office of the Inspector General (OIG) sent a copy of this report to the Respondent and gave her until February 15, 2024 to provide suggested redactions or a written response. Respondent provided a response and no suggested redactions.

The OIG issued this Summary Report of Investigation (SRI) following an investigation that established reasonable cause to find that Tollway Government Accounts Associate Colleen Edwards (Edwards) fraudulently sought and received funds from a Paycheck Protection Program (PPP) loan for her outside business and engaged in unauthorized outside employment. Edwards' conduct violated multiple Tollway rules of employee conduct, the Tollway's outside employment policy, Federal rules governing forgiveness of PPP loans, and Federal law. The OIG recommended that the Tollway impose discipline as appropriate under the circumstances.

The Tollway agreed with OIG's findings and initiated the termination process. OIG subsequently received notification that Edwards' employment had been terminated effective December 6, 2023.

This publication will include the handwritten response provided by Ms. Edwards.



**OFFICE OF THE INSPECTOR GENERAL
SUMMARY REPORT OF INVESTIGATION
OIG Case # IG-23-003
November 9, 2023**

This report provides a summary of evidence set out in the attached investigative materials, and the Office of the Inspector General’s (OIG’s) analysis of that evidence. An index of these investigative materials is attached.

I. INTRODUCTION

OIG has completed an investigation that has established reasonable cause to find that Illinois State Toll Highway Authority (Tollway) Government Accounts Associate Colleen Edwards (Edwards) fraudulently sought and received funds from a Paycheck Protection Program (PPP) loan for her outside business and engaged in unauthorized outside employment. Edwards’s conduct violated multiple Tollway rules of employee conduct, the Tollway’s outside employment policy, Federal rules governing forgiveness of PPP loans, and Federal law.

These actions bring discredit on the Tollway, erode public confidence in government institutions and clearly fall well below the standards of conduct expected from Tollway employees like Edwards. Therefore, OIG recommends that the Tollway issue discipline, commensurate with the gravity of her violations, and any other relevant considerations, up to and including termination.

II. BACKGROUND

A. Paycheck Protection Program

The Coronavirus Aid, Relief, and Economic Security (CARES) Act established the PPP loan program in March 2020 to support small businesses, individuals, and other eligible entities adversely impacted by the COVID-19 pandemic.¹ The program, which provided \$813.7 billion over two rounds of funding for forgivable loans to eligible entities, was intended to ensure workers remained employed during the unprecedented pandemic. Between March 2020 and May 2021, the federal government processed 11.8 million PPP loans, totaling \$799.8 billion. Small Business Administration (SBA) guidance reflected that self-employed individuals could collect up to 2.5 months of profits, up to \$100,000 in profits, through the program.² Businesses were eligible to

¹ See United States Small Business Administration Inspector General, “SBA’s Handling of Potentially Fraudulent Paycheck Protection Program Loans,” May 26, 2022, available at <https://www.oversight.gov/sites/default/files/oig-reports/SBA/SBA-OIG-Report-22-13.pdf> (last accessed September 15, 2023).

² United States Small Business Administration, “PAYCHECK PROTECTION PROGRAM HOW TO CALCULATE MAXIMUM LOAN AMOUNTS FOR FIRST DRAW PPP LOANS AND WHAT DOCUMENTATION TO PROVIDE – BY BUSINESS TYPE,” as of January 17, 2021, available at [PPP: How to Calculate Maximum Loan Amounts for First Draw Loans \(sba.gov\)](https://www.sba.gov/PPP/How-to-Calculate-Maximum-Loan-Amounts-for-First-Draw-Loans) (last accessed September 15, 2023).

apply for first draw PPP loans from March 2020, through August 8, 2020. Second draw PPP loans were issued from December 2020, through May 31, 2021. The maximum PPP loan for self-employed individuals for each draw was \$20,833.33. To qualify for that amount, an applicant would have to self-report at least \$100,000 in annual profit.³

Recent federal investigations and reviews have shown that the PPP was rife with fraud. “[SBA] OIG and other law enforcement agencies identified systemic patterns of potential fraud, including false attestations on loan documents, inflation of payroll, falsified tax documentation, identity theft, and misuse of proceeds.”⁴ SBA OIG’s analysis of loan data as of August 2020, identified more than 70,000 PPP loans, totaling over \$4.6 billion, as potentially fraudulent. This data only captured loans issued during the first round of PPP funding.

Over the past year, many OIG offices in Illinois have reported on PPP loan fraud by government employees, including the OIGs at the Chicago Housing Authority, the Clerk of the Circuit Court of Cook County, the Chicago Park District, the Chicago Public Schools, and the Office of Executive Inspector General for the Agencies of the Illinois Governor.

Considering these facts, OIG undertook a review of Tollway employees who received forgivable PPP loans. OIG compared publicly available PPP loan data to outside employment disclosures made by Tollway employees. OIG identified that Edwards received a forgivable PPP loan in 2021 for self-employment related to an online clothing boutique.

B. Parties Involved

1. Colleen Edwards

Tollway records reflect Edwards began Tollway employment on January 2, 2020, as a Customer Service Representative. According to Tollway records, in December 2022 she became a Government Accounts Associate. Tollway records show her home address as [REDACTED]. During an OIG interview, Edwards disclosed her current address as [REDACTED].

Edwards earns approximately \$51,600 annually from her Tollway work.⁵

³ Initial PPP guidance used net income to calculate PPP loan amounts. The SBA posted Interim Final Rule “Revisions to Loan Amount Calculation and Eligibility” on March 3, 2021, permitting schedule C filers to use gross income to calculate PPP loan amounts. See “PAYCHECK PROTECTION PROGRAM LOANS Frequently Asked Questions (FAQs),” https://www.sba.gov/sites/sbagov/files/2023-07/FAQPPPBrwrsLndrsQstns1_72.pdf (last accessed October 27, 2023).

⁴ United States Small Business Administration Inspector General, “SBA’s Handling of Potentially Fraudulent Paycheck Protection Program Loans.”

⁵ This salary is based off the Salary database search Illinois State Comptrollers website for Edwards’s 2023 current salary of \$4,300 a month. Salary Data - The Illinois Office of Comptroller (illinoiscomptroller.gov)

III. APPLICABLE RULES, REGULATIONS, LAW

A. Illinois Tollway Policy and Procedure Manual Chapter 7. Employee Conduct and Discipline: Section A: “Employee Conduct” (in relevant part):

To ensure orderly operations and provide the best possible work environment, the Tollway expects employees to follow rules of conduct that will protect the interests and safety of both the employees and the organization. Violations of the rules of conduct may result in disciplinary action, up to and including discharge. The rules of conduct include, but are not limited to, the following:

- Failure to follow Tollway or Departmental policies or procedures[.]
- Violation of the Tollway Code of Ethics or other official laws.
- Other conduct unbecoming a Tollway employee.

B. Illinois Tollway Policy and Procedure Manual Chapter 7. Employee Demeanor: Section H: “Outside Employment” (in relevant part)

Any employee who seeks to engage in outside employment after they are employed with the Tollway must notify and receive the written approval of their Department Chief before accepting such employment. Outside employment consists of any type of activity for which the individual actually or anticipates receiving compensation (i.e., salary, commission, hourly pay, etc.) which may be in the form of cash or check, and may or may not include or be subject to the withholding of taxes. The Department Chief’s written approval must be forwarded to the Chief of Administration.

At the time of hire, new employees will be asked if they currently are engaged in employment secondary to their position at the Tollway. Appropriate forms disclosing secondary employment must be completed during new employee processing. On an annual basis, employees will be required to acknowledge on-going secondary employment.

* * *

Violation of these standards may be cause for discipline up to and including discharge.

C. Federal Criminal Statutes

Several federal statutes prohibit false and fraudulent activity, including:

- **18 U.S. Code § 1014 – Crimes and Criminal Procedure – Loans and credit applications generally[.]**

Prohibits knowingly making a false statement or report on a loan application for the purpose of influencing in any way the action of the Small Business Administration and/or an institution insured by the Federal Deposit Insurance Corporation.

- **18 U.S. Code § 1344 – Bank Fraud**

Prohibits knowingly executing a scheme to defraud a financial institution or obtain moneys or funds of the financial institution by means of false or fraudulent pretenses or representations.

- **18 U.S. Code § 1343 – Wire Fraud**

Prohibits using wire transmissions to devise a scheme to defraud or obtain money by means of false or fraudulent pretenses or representations.

- **31 U.S. Code § 3729 – False Claims**

Prohibits knowingly false or fraudulent claims for payment from the United States Government.

IV. SUMMARY OF INVESTIGATION

A. Documents

1. [REDACTED] Paycheck Protection Program (PPP) loan
 - a. [REDACTED] application # [REDACTED]

OIG subpoenaed and received application materials from the financial institution associated with Edwards PPP loan in the SBA database. These materials included a PPP loan application dated April 18, 2021, from Colleen Edwards DBA Colleen Edwards, which is identified as a sole proprietorship with one employee located at [REDACTED]. The application declared \$20,000 in gross income based on 2019 tax return and requested a loan of \$4,166.00. Edwards is listed as the business point of contact.

On the loan application, Edwards initialed several provisions attesting to certain eligibility requirements for such a loan. In particular, Edwards certified that her business had been in operation on February 15, 2020, and that the loan would be used to pay “Payroll Costs.” Edwards signed this application certifying that “the information provided in all supporting documents and

forms is true and accurate in all material respects,” and acknowledging that any knowing false statement would violate federal law and could result in imprisonment and/or a fine.

In support of her application, Edwards submitted a 2019 1040 IRS Tax form and Schedules 1 (Additional Income and Adjustments to Income) and C (Profit or Loss from Business (Sole Proprietorship)) for Edwards and a business identified as [REDACTED]. In her Schedule C, Edwards reported \$20,000 in 2019 gross income from Edwards’s ownership of [REDACTED], and a net profit of \$9,650.⁶

On the 2019 schedule C, Edwards checked “yes” to the following boxes:

- Line G: Did you “materially participate” in the operation of this business during 2019?
- Line H: If you started or acquired this business during 2019, check here.

Edwards ultimately received a \$4,166 PPP loan on April 20, 2021.

b. Loan Funding Receipt

[REDACTED] loan funding receipt report dated April 26, 2021, shows a loan number [REDACTED], for receiver Colleen Edwards. The loan funding details shows a [REDACTED] business bank routing and account number information for Colleen Edwards.

c. Paycheck Protection Program Loan Forgiveness Application SBA Form 3508S

On October 9, 2021, Edwards signed and submitted SBA Form 3508S seeking forgiveness of her \$4,166 PPP loan ([REDACTED]). She certified that her business complied with all PPP rules for forgiveness, including rules related to calculation of loan forgiveness amounts, and reported that \$3,000 of the loan was used for payroll costs. She also certified that the information provided in the loan forgiveness application was true and that she was not knowingly making a false statement to obtain forgiveness. The form stated:

By Signing Below, You Make the Following Representations and Certifications on Behalf of the Borrower:

The Authorized Representative of the Borrower certifies to all of the below by **initialing** next to each one.

The Borrower has complied with all requirements in the Paycheck Protection Program Rules (Sections 7(a)(36), (7)(a)(37), and 7A of the Small Business Act, the PPP interim final rules, and guidance issued by SBA through the date of this application), including the rules related to:

⁶ As discussed in more detail later in this report, [REDACTED] was an online clothing boutique that Edwards started after she was sent home in mid-March 2020 due to the COVID pandemic.

- eligible uses of PPP loan proceeds;
- the amount of PPP loan proceeds that must be used for payroll costs;
- the calculation and documentation of the Borrower's revenue reduction (if applicable); and
- the calculation of the Borrower's Requested Loan Forgiveness Amount.

Information regarding these requirements may be found in the Form 3508S Instructions and the Paycheck Protection Program Rules.

The information provided in this application is true and correct in all material respects. I understand that knowingly making a false statement to obtain forgiveness of an SBA-guaranteed loan is punishable under the law, including 18 U.S.C. 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a Federally insured institution, under 18 U.S.C. 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.

Following submission of this forgiveness application, the Borrower must retain all records necessary to prove compliance with Paycheck Protection Program Rules for four years for employment records and for three years for all other records. SBA may request additional information for the purposes of evaluating the Borrower's eligibility for the PPP loan and for loan forgiveness, and the Borrower's failure to provide information requested by SBA may result in a determination that the Borrower was ineligible for the PPP loan or in a denial of the Borrower's loan forgiveness application.

The Borrower's eligibility for loan forgiveness will be evaluated in accordance with the Paycheck Protection Program Rules. SBA may direct a lender to disapprove the Borrower's loan forgiveness application if SBA determines that the Borrower was ineligible for the PPP loan.

e. PPP Loan Payoff

The SBA forgave Edwards's PPP loan on December 8, 2021.

2. Outside Employment Approval Request form (11/21/2019)

Edwards signed and dated an Outside Employment Approval Request form on November 21, 2019. Handwritten in the section on "Outside Employer Information," is "N/A."

On the form, Edwards affirmed the following statement (emphasis added):

By my signature below, I, Colleen Edwards affirm that my employment outside the Illinois Tollway will not create any conflict of interest, nor will it interfere with my current Tollway responsibility, including those surrounding my availability for emergency weekend and/or after hour call outs and that any interference with my

regular or call out duties will be grounds for disciplinary action. **I certify that the facts contained on this form are true and complete to the best of my knowledge and understand that false statements on this form may be grounds for dismissal.**

3. Tollway Personnel Forms

In the course of her Tollway tenure, Edwards has executed several forms acknowledging receipt and understanding of Tollway policies, including:

- a. Personnel Policies and Procedures Manual Acknowledgment, Disclaimer, and Receipt form (1/2/2020) (in relevant part)

I, Colleen Edwards, acknowledge that I have received copy of the Personnel Policies and Procedures Manual (revised September 2016) for the Illinois State Toll Highway Authority.

I acknowledge that it is my responsibility to read and understand the contents of this manual.

- b. Policies and Procedures Manual Acknowledgement form (1/2/2020)

Edwards acknowledged receipt of a copy of the Policies and Procedures Manual and that she had “read each of the sections listed above and agree to abide by their terms.” The form lists sections of the Tollway Policies and Procedures Manual that the employee is “obligated to read and familiarize” themselves with and “abide by [their] terms.”

The form listed provisions in the manual to “especially review” and “pay attention to,” including:

- Outside Employment - Reference Chapter 7, pages 7-8

4. Internet Archive Search

The Internet Archive Wayback Machine, which captures historical website information, has three captures of ██████████ Shopify webpage (██████████): December 25, 2021, May 19, 2022, and April 5, 2023.⁷ Only the May 19, 2022 capture was able to be viewed.

The website has a banner across the top allowing potential customers to view various clothing items sold by the online boutique, including tops, jackets, shoes, dresses, and accessories. The site allowed customers to sign up for a newsletter.

⁷<https://web.archive.org/web/20220519123231/██████████>

B. Interviews

1. Colleen Edwards

On October 17, 2023, OIG interviewed Government Accounts Associate Colleen Edwards (Edwards). Edwards was provided both orally and in writing, a consent to record form to which she consented and signed. Edwards was also provided, both orally and in writing, with Administrative Advisements for non-Union Employees, which she read and signed acknowledging she understood the form. In summary, Edwards stated the following:

Edwards started Tollway employment in January 2020. She currently works as a Government Accounts Associate (GAA) from 7:00 a.m. to 3:00 p.m. Monday through Friday. As a GAA, she works completely in office on the lower level of Central Administration (CA). She started her GAA role about 10 months ago. She started her Tollway employment as a Customer Service Representative (CSR) in January of 2020. Her CSR hours were 9:00 a.m. to 5:00 p.m. or 10:00 a.m. to 6:00 p.m. She worked at CA until the COVID-19 pandemic, and then worked remotely from her home at [REDACTED].

As a CSR, she assisted customers, added funds to customers' accounts, resolved any violations, and updated account information. Her GAA job duties include working with municipal agency accounts to update information, pay invoices, complete audits, and ensure the Tollway has required documents from the agencies.

a. Outside Employment

When Edwards was asked about outside employment, she provided the following information:

At the time of her OIG interview, Edwards said she did not have any employment other than at the Tollway. Edwards initially denied ever having employment in addition to her Tollway employment since she started in January 2020, but then asked, "does an online business count?" (Recording 1 8:53).⁸

She admitted to having an online clothing boutique named [REDACTED] while working at the Tollway. She started the company in March or April 2020. She does not still have the business and initially said it closed in approximately the Winter of 2020. "When we came back into the office, that's when I could no longer do it." (Recording 1 10:58). "It was about nine months to a year the business was open." (Recording 1 11:06). When asked why she no longer did outside work, she stated "working remote gave me the additional time to do that." (Recording 1 11:33). The boutique did not have set business hours and she was the sole owner. Her work with the boutique included ordering bulk amounts of clothing from an online vendor in Los Angeles, California. The online vendor required an application that included tax identification numbers to apply for access to purchasing the items. She completed the application and gained access to the online vendor. She

⁸ This reflects the timestamp of the quoted language on the recording of Edwards's OIG interview.

would order clothing items using her business bank account and have the items shipped directly to her doorstep at [REDACTED].

She uploaded the items to her online store run by Shopify and sold the items online. She created the website herself. She also used Facebook and Tik Tok to advertise her company. She only purchased items when inventory ran out. She made these purchases using her own funds. Edwards stated she would work about five-to-six hours a day or every other day.

She handled her boutique work after her eight-hour Tollway shift and never completed any outside employment during Tollway work hours. She logged in to her personal computer after her Tollway shift to if she had any orders or if people wanted to pick up items. Sometimes local people came to her residence to pick up items instead of having the items shipped. All sales were completed online, and she used a business email to contact customers when needed.

When asked about her business earnings, Edwards said, “it was more of a loss, um I did not get to the point where money was being made.” (Recording 1 22:44). When asked if she turned a profit, she stated, “No. Not at the point I was at, no.” (Recording 1 22:56). Edwards invested between \$9,000 to \$10,000 into the business. Her goal was to eventually open a storefront. She estimated she made “maybe \$1,000” from the business and confirmed she had about an \$8,000 loss. (Recording 1 24:12). She spent the \$9,000 on annual website fees, a camera, shipping supplies, and inventory. She donated the leftover clothing items to friends and family members after the business closed.

b. Outside Employment Form

Edwards told OIG investigators that she did not feel the need to report her secondary employment to her supervisor or the Tollway. When asked why, she stated “as far as I know, if you have a second job as far as going somewhere, that’s when you have to report it to the Tollway, but as far as an online business I didn’t know that that was something that had to be told.” (Recording 1 26:56).

Edwards reviewed her signed Tollway policy and procedures acknowledgement forms, her Outside Employment Approval Request Form signed and dated November 21, 2019, which has a handwritten “N/A” under the Outside Employer Information section, and a printout of the Tollway’s outside employment policy. Edwards acknowledged completing the forms. After reviewing the forms and explanation of the outside employment reporting requirements, she stated “interesting, I did not know that.” (Recording 1 29:40). She stated she now understood she should have reported it. Edwards did not remember receiving the two emails from 2023 related to reporting outside employment.⁹ Edwards never consulted with anyone from the Tollway regarding her online business.

⁹ Based on Edwards report that she closed the business sometime in late 2021, she did not have secondary employment to report in 2023.

c. Edwards' PPP Loan

Edwards confirmed receipt of a PPP loan for [REDACTED]. She could not recall the bank from which she obtained the loan, but said, during COVID, a lot of loan agencies were offering "grants," so she applied for the loan and received \$5,000. She saw an advertisement on Facebook, clicked on the link, and completed the application. She completed the entire loan process online.

According to Edwards she did not have to show proof of income, she just had to provide her tax ID number. The loan proceeds were deposited into her business bank account. Edwards reviewed her PPP Loan Borrower Application. When asked to explain why she previously told OIG investigators she had invested \$9,000 and made \$1,000 but the application reflects \$20,000 in gross income, Edwards stated, "Well, I don't have the exact number... All my invoices brings me close to that figure now that I see the application, but giving you a number off of head I would... \$9,000 or \$10,000. But the invoices at home, I did calculations would bring me how to I got there." [*sic* throughout] (Recording 1 35:40-35:58). Investigators reminded her that she had stated earlier in the interview that she invested \$9,000 to \$10,000 as her start-up costs, but made \$1,000. She responded, "roughly, yeah." (Recording 1 36:03). She could not explain the difference between the \$1,000 she told OIG she earned, and the \$20,000 gross income she reported on her PPP loan application, claiming she did not "completely" understand the loan process. (Recording 1 36:32).

Edwards was shown the schedule C she submitted with her loan. She acknowledged the discrepancy between the amount of income she reported in the interview and the amount listed on the schedule C. She claimed to have invoices reflecting the \$20,000 on the schedule C and application; however, she then said that the dollar amount in the PPP loan application was the amount of money she put into the business. Seeing the loan application documents reminded her that she invested more than the \$9,000 or \$10,000 she initially told OIG. The PPP loan was not an effort to recoup her losses, "it was trying to make more money, um getting a grant to get me lifted off the ground based on how much money I'm putting in." (Recording 1 40:15). She confirmed she completed the schedule C. "They offered grants. I applied for it. Clearly, I didn't complete it the way I was supposed to. Clearly, I put numbers, I guess that I wasn't supposed to." (Recording 1 41:55 – 42:05).

When asked if her business made \$20,000, she laughed and stated "no." (Recording 1 42:12). When asked if the gross income she put down was incorrect, she stated, "No, I put down what I spent and I see that I didn't do that correctly." (Recording 1 42:22-42:26). Adding, "I put the amount that I had spent so I should have never put that number in that spot." (Recording 1 42:43-42:47). She confirmed she was she trying to recoup some of the money she spent on the boutique's clothing inventory. Edwards confirmed she completed and signed the October 2021 PPP loan forgiveness application.

Edwards told OIG investigators that she used the PPP loan money exclusively for inventory. OIG asked Edwards why, if her business closed in the winter of 2020, she completed the PPP application in April 2021, after the business closed. She then provided a new timeline for her business, alleging that her boutique was open for "about a year" and claimed that this matched the information she had already provided to OIG. (Recording 1 47:55). She did not cancel the

business's Tax ID until the end of 2021. She said she did not close the business prior to obtaining the PPP loan and the business was not closed at the time she completed the loan application.

She then stated [*sic* throughout]:

The business was still open. It probably wasn't doing as great, so hey there's it's loan out here, let me try to see if this will help out. That still didn't work out, after a couple of months, the business was closing. It was literally like a year, no more than a year. It wasn't for fraud.... I should never applied for the loan, I don't know, but... [be]cause I don't want it to be on the record that 'oh, you know, she's taking money,' 'stealing money.' No, they were offering the free money so let's see if this will help me go further.

(Recording 1 52:06-52:46).

"The reason for, I mean... how long ago was this, whatever's needed to get the loan approved, possibly that what I used the inventory number for on the application" (Recording 1 53:49-54:04). She said she added up her invoices, which "came close to the \$20,000." (Recording 1 54:30-54:32). "It wasn't 'oh, let's do this fraud.' No, it wasn't." (Recording 1 54:44-54:48). She agreed she should not have used the \$20,000 figure when applying for the loan. Edwards said she would be willing to pay the money back if needed.

Edwards's taxes that included [REDACTED] showed the business as a loss. When asked if the schedule C that she filed with the loan application was the same schedule C she used for her taxes, she stated, "more than likely, if that's the tax form needed when you file taxes." (Recording 1 58:47-58:53). But Edwards said she did not file taxes for \$20,000 in profit and said her [REDACTED] earnings were marked as a loss on her personal taxes. She then confirmed she prepared the 2019 schedule C just to apply for the PPP loan. She added, "[c]ause at this time I didn't have [the schedule C] yet." (Recording 1 1:00:35-1:00:38). When asked what she meant, she stated, "it was a new business, so that year, it wasn't on the taxes yet." (1:00:45-1:00:51) despite the schedule C being from 2019. After some discussion, Edwards understood that her PPP loan application was completed in April of 2021, and she would have filed her 2019 taxes – including the 2019 schedule C – in 2020. She confirmed she knew the dollar amount she put on the schedule C was incorrect.

Edwards again confirmed that [REDACTED] did not exist prior to 2020. Edwards acknowledged that since the business did not exist until March or April of 2020, there would not have been income for 2019. When asked how there came to be a schedule C for 2019 if there was no business or business income in 2019, Edwards admitted "since I needed it for the [2021 PPP loan] application, I filled it out." (Recording 2 1:51-1:54). When asked when she closed the business she stated, "I would give a good year-and-a-half" (Recording 2 2:36-2:37). She said the business lasted until the end of 2021. She stated she would not have closed it before the PPP loan application date.

V. ANALYSIS

OIG's investigation has established reasonable cause to find that Edwards fraudulently obtained a PPP loan for an ineligible business, and she engaged in unauthorized outside employment.

Edwards's conduct violated Tollway rules of employee conduct, the Tollway's outside employment policy, Federal rules governing forgiveness of PPP loans, and Federal law.

A. PPP Loan

Edwards engaged in conduct unbecoming a Tollway employee by fraudulently applying for a PPP loan for an ineligible business and by misrepresenting her reported income.

To qualify for a PPP loan, a business had to be operating as of February 15, 2020, and had to submit tax return information to establish revenue for 2019 or 2020. This investigation has established that Edwards business, [REDACTED], was not eligible for a PPP loan as it was not in operation as of February 15, 2020, nor could it have had any profits in 2019 as it did not exist at that time.

Edwards admitted that in 2021, she completed and submitted a 2019 schedule C with incorrect information in order to obtain the PPP loan for a business that she confirmed did not exist until March or April of 2020. She attempted to minimize her wrongdoing by claiming that she "misunderstood" how to complete the schedule C; stating she thought the form sought information about how much money she spent on her business, not her earnings. However, on that same schedule C, she marked both that she "materially participate[d]" in the business in 2019 and that she "started or acquired" the business in 2019. Both statements are demonstrably false. She admitted to OIG that she started the business after being sent home during the early months of the COVID-19 pandemic and, during her interview, placed the business's inception date in March or April 2020. The evidence supports a finding that Edwards knowingly submitted a false PPP application and intentionally fabricated a fraudulent schedule C to support her request for a loan for a business, [REDACTED] which was clearly ineligible.

Her actions related to the PPP loan likely violated multiple federal laws. Providing false information to a financial institution to obtain a Small Business Administration loan violates multiple federal laws, including 18 U.S.C. 1014 (prohibits knowingly making a false statement or report on a loan application for the purpose of influencing in any way the action of the Small Business Administration and/or an institution insured by the Federal Deposit Insurance Corporation) and 18 U.S.C. 1344 (prohibits knowingly executing a scheme to defraud a financial institution or obtain moneys or funds of the financial institution by means of false or fraudulent pretenses or representations). She likely also committed wire fraud in the submission of her loan application, in violation of 18 U.S.C. 1343 (prohibits using wire transmissions to devise a scheme to defraud or obtain money by means of false or fraudulent pretenses or representations).

B. Outside Employment and Disclosure

Edwards admitted that she engaged in unauthorized outside employment. The Tollway's Outside Employment policy defines outside employment as "any type of activity for which the individual actually or anticipates receiving compensation (i.e., salary, commission, hourly pay, etc.) which may be in the form of cash or check, and may or may not be subject to the withholding of taxes." The policy requires new employees, at the time of hire, to disclose "employment secondary to the position at the Tollway." Disclosure forms must be completed at the time of new employee

processing and should be updated annually. Employees who wish to begin outside employment after starting with the Tollway must notify and receive written approval prior to accepting the employment. Outside employment cannot conflict with the Tollway Code of Ethics. Violation of the Tollway's Outside Employment policy is subject to discipline up to and including discharge.

Even though Edwards held self-employment during her Tollway tenure, by her own admission, she did not disclose it to the Tollway in accordance with the Tollway's outside employment policy. She claimed that she did not think that an online business needed to be reported and thought Tollway employees only had to report employment that they physically went to. Nothing in the Tollway policy makes such a distinction, and Edwards chose not to seek guidance from the Ethics Officer or her supervisor when she started her business.

VI. RECOMMENDATION

Edwards's conduct reflects a disregard for Tollway rules and policies. Most troubling, Edwards exhibited contempt for federal law and those not so fortunate as her, when she knowingly provided false information in her PPP application and submitted a false schedule C document to fraudulently obtain a PPP loan for an ineligible business. She viewed the PPP loans as "free money," instead of a government program designed to help struggling businesses that existed prior to the pandemic. Of course this was not "free money," it was intended for those whose livelihoods were threatened by business downturns caused by the COVID pandemic. Edwards was not in this position, as she was receiving her full-time Tollway salary with benefits. As a government employee, Edwards has a duty to engage in ethical conduct and follow the law. Her actions with respect to the PPP loan constituted conduct unbecoming a Tollway employee. Edwards's conduct not only reflects poorly on her character, but also brings discredit on the Tollway because it erodes public confidence in government institutions. In addition, Edwards engaged in outside employment without disclosing or obtaining proper approval.

These actions undermine public trust and clearly fall well below the standards of conduct expected from Tollway employees like Edwards, and OIG recommends that the Tollway impose discipline, commensurate with the gravity of her violations, and any other relevant considerations, up to and including termination.



OFFICE OF THE INSPECTOR GENERAL
Illinois State Toll Highway Authority

RESPONDENT'S PUBLIC RESPONSE

OIG Case # IG-23-003

Respondent:
Colleen Edwards

Pursuant to 605 ILCS 10/8.5 (e)(3), the attached Response of Colleen Edwards is being made public at her request.



OFFICE OF THE INSPECTOR GENERAL
Illinois State Toll Highway Authority
Theodor J. Hengesbach – Inspector General

February 1, 2024

PUBLIC RESPONSE/REDACTION SUGGESTIONS

Re: Colleen Edwards, Case #IG-23-003

As indicated in the cover letter, you have the option to provide a response that will be made public. Please use the space below, or attach additional pages.

Public Response:

The motivation for starting the business was the Pandemic. It never registered that my business would classify as Secondary Employment. If the Employee Policies and Procedures Manual specifically stated that "owning your own business" is considered secondary employment I

You also may suggest redactions to the report. These suggestions will be reviewed by the Inspector General to determine if they should be adopted and incorporated when the report is published. If these suggestions are not adopted, you may request that they be made public. Please use the space below, or attach additional pages.

Suggested Redactions:

I wish these suggested redactions to be made public. Yes No

Signature

Date

Return this form and any attachments to the attention of Theodor J. Hengesbach by **February 15, 2024.**

would have reported ownership of my business. In fact, it was not until October 2023, that the Tollway sent out a compliance training in an email referencing that "owning your own business" was included when filling out the secondary employment form.

I wanted to take advantage of the PPP loan because I saw this as a opportunity to assist my new business that was not doing so well. There was not the slightest bit of ill intent when I filled out those forms. Being that this was 4 years ago, I was not as wise as I am now.



Colleen Edwards

2/12/2024