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May 8, 2012

The Honorable Timothy Geithner, Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Secretary Geithner:

I write to express my extreme concern with the latest evidence of additional child tax credit fraud. I was alarmed to read in the U.S. Department of the Treasury's own Inspector General for Tax Administration's recent report that individuals who are not authorized to work in the United States were paid \$4.2 billion in refundable tax credits, including the additional child tax credit.

The Internal Revenue Service (IRS) has provided non-resident workers with an Individual Tax Identification Number (ITIN), so that they may meet their obligation for tax return filing and payment. However, investigations have revealed that many illegal immigrants have acquired an ITIN to file tax returns, even though they are unauthorized to work in the United States and therefore file taxes. Additionally, the IRS requires no documentary verification of the citizenship, residency or support of "dependent" children listed on the tax return, which are the statutory IRS criterion necessary to be able to claim the additional child tax credits.

Consequently, refund checks are seemingly processed and mailed without question. In one first-person account, the IRS mailed returns to five different families, claiming 20 children between them, for a combined total of nearly \$30,000 in checks. This was done even though all filers were illegal immigrants, all but one of the 20 "dependent" children were actually living abroad during the supposed period of care, and all five families reported the exact same mailing address – a small, two bedroom home.

At a time when this Administration is advocating for raising taxes, it is frustrating to learn that billions of dollars could be saved by simply closing a loophole in the tax code that allows illegal immigrants to take advantage of a tax credit meant to assist hardworking American families with multiple dependents. Indeed, Inspector General George Russell has stated that refundable tax credits were never intended for illegal immigrants, and especially not for individuals who do not live in the United States. With each fraudulent payment, our own government cheats the American taxpayer, as well as those who come to our country through the proper, legal channels to seek legitimate work and opportunity.

Therefore, I respectfully ask that the IRS provide my office with answers to the following:

- 1) How many additional child tax credits were claimed in my home district, the Eighth District of Pennsylvania?
- 2) How much was the total sum of tax credits awarded to illegal immigrants in PA-08 via the loophole discussed above?

- 3) What was the average tax credit amount awarded per filer?
- 4) What steps does the IRS intend to take to close the loophole and remedy the problem of illegal immigrants obtaining ITINs?

I look forward to your response. Thank you for time and attention to this matter.

Sincerely,



Michael G. Fitzpatrick
Member of Congress

CC: The Honorable Douglas H. Shulman
Commissioner of Internal Revenue