



No Gracias: The Earned Income Tax Credit

Well, the Tax Man has cometh, and he has goneth. And one thing is certain, according to a report authored by economist and former Forbes magazine editor Edwin Rubenstein: the Tax Man has been ripped off by millions of illegal aliens, who have applied for, and who will receive a federal Earned Income Tax Credit (EITC) this year. This, of course, is fraud because, by law, illegals are not entitled to an EITC. In fact, some of these “tax collectors” use stolen or otherwise ill-gotten Social Security numbers to file income tax forms and receive EITC benefits.

Economist Rubenstein presented these and other jarring findings in “The Earned Income Tax Credit and Illegal Immigration: A Study in Fraud, Abuse, and Liberal Activism” at a news conference at the National Press Club in Washington, D.C. on April 14. Rubenstein described the EITC scams as “common, well-organized, and massive.” According to the General Accounting Office, “one-quarter to one-third of all EITC claims are ‘improperly paid.’” That amounts to at least 6 million households receiving at least \$12 billion fraudulently (2007 numbers).

Rubenstein blames this gaming of the system, not so much on the illegal immigrants, but on their enablers: the IRS (which does not verify Social Security numbers or eligibility criteria and which publishes Spanish-language materials about the EITC); tax preparation and filing services, such as H & R Block; and advocacy groups, such as the left-wing Center on Budget and Policy Priorities. The latter, for example, offers outreach programs designed to hook immigrants into the EITC entitlement culture.

Signed into law into 1975 by President Gerald R. Ford, the EITC was supposed to encourage welfare recipients to join the workforce by providing a “bonus” for working families with children. Sounds peachy, right? Maybe to some (like presidents Reagan, Clinton, and George W. Bush, who all expanded the program), but not to opponents of this kind of wealth-redistribution scheme, since the “tax credit” is paid to its recipients from government coffers supplied by other working families who are forced to pay taxes into those coffers.

One would hope, based on the EITC’s redistributionist character and its invitation for abuse and the fact that these scam artists are rarely, if ever, prosecuted, that Rubenstein would have called for its abolition as a solution to a program run amuck. Alas, he prefers the politically safe ‘mend-it-not-end-it’ approach, claiming in a post-news conference interview that the EITC program is a good one and probably stands between many of its recipients and hunger. Huh? Doesn’t the food stamp program do that? What about Special Supplemental Nutrition Program for Women, Infants and Children (WIC)?

Equally unfortunate were the sentiments of Dr. James R. Edwards, Jr., a principal of the MITA Group and an adviser to Mitt Romney’s presidential campaign, who spoke after Rubenstein and endorsed his report. Stated Edwards: “EITC [deprives] hard-working Americans of their own resources. It robs some to give to others.... It’s welfare by other means.” Even after issuing that strong statement, Edwards,



Written by [Isabel Lyman](#) on April 17, 2009

when queried, was unwilling to do away with the tax credit, insisting it could be fixed. Huh?

To boot, “conservative” Senator Tom Coburn (R-Okla.) recently called for an “overhaul” to EITC because of its improper payment rate. Well, that’s a start, but can’t anyone call for a timely end to this unconstitutional, redistributionist practice?

While Edwin Rubenstein and the Social Contract Press (the Michigan-based outfit that published his report) are to be commended for shedding light on yet another racket involving illegal and legal plunderers, everyday hardworking citizens deserve more than band-aid solutions. They deserve elected officials who will rein in the federal government to its constitutional restraints and who will put an end to this business of spending and borrowing our way into “prosperity.” If not, many Americans will continue to dread April 15, and struggle to fulfill their financial obligations to Uncle Sam and his Tax Man, while others will eagerly anticipate it in hopes of receiving their windfall profit known as the Earned (sic) Income Tax Credit, made available to citizens and non-citizens by our benevolent leaders.

To read the complete report, click [here \(pdf\)](#).



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