

MARKETPLACE

Even Illegal Workers Pay Taxes

Continued from the front page

testimony before Congress last year. Last week, speaking to the National Press Club, he added, "We want your money whether you are here legally or not and whether you earned it legally or not."

In 1996, the IRS created the individual taxpayer identification number, or ITIN, a nine-digit number that starts with "9," for taxpayers who didn't qualify for a Social Security number. Since then, the agency has issued about 11 million of them, and by 2003, the latest year with available figures, the number of tax returns using them had risen to nearly one million. The government doesn't know how many of those taxpayers were undocumented immigrants. Foreign nationals with tax-reporting requirements in the U.S. can also get an ITIN. But most of the people who use the number are believed to be in the U.S. illegally. All told, between 1996 and 2003, the income-tax liability for ITIN filers totaled almost \$50 billion.

As part of its outreach effort, the IRS has been helping taxpayers apply for ITINs through partnerships with community groups. Last week, the Center for Economic Progress, a nonprofit group in Chicago, hosted its fourth ITIN event of the tax season at a church on the city's South Side, helping individuals apply for the number and file in one sitting.

Critics say the government is legitimizing the presence of illegal immigrants by encouraging them to file tax returns. "A major organ of the U.S. government is saying it's OK to be illegal as long as you send in your return," says Mark Krikorian, executive director of the Center for Immigration Studies, which supports tighter immigration controls.

The decision to report wages and withheld taxes can be a hard one for illegal immigrants, though, because they normally use an invalid Social Security number to obtain work. Mrs. Castillo must attach the W-2, often with a fake Social Security number, to the tax return, along with the ITIN. The IRS instructs tax preparers to fill in Social Security numbers as they are shown on the W-2 form, even if the numbers are invalid.

Mrs. Castillo assures her customers that the IRS doesn't share information with Homeland Security. The tax code prevents disclosure of taxpayer information except in limited circumstances. In his National Press Club speech, Mr. Everson said: "There is no bleeding over of information from the IRS to the Department of Homeland Security at this stage. The systems are independent."

Most illegal immigrants who visit Petra Business Services, as Mrs. Castillo's business is called, say they hope that filing a tax return will eventually boost their chances of securing a green card. A bipartisan immigration bill introduced in Congress last month requires proof of "good moral character" in order for illegal residents to qualify for permanent U.S. residency. The last immigration amnesty, in 1986, required them to prove they had lived and worked in the U.S. for several years.

The possibility of getting a refund is another motivation: Because undocumented workers normally use a fake Social Security number to work, their Social Security and Medicare contributions won't do them any good. Filing a tax return with an ITIN gives them a shot at getting some withheld money back.

"The rules of this country say that everyone must file taxes," says Pablo Espinoza, a welder. "I



Petra Castillo at her South Central Los Angeles office

grant and his wife, Martha, who works in a chicken-processing plant, earned about \$42,000 last year. Mr. Espinoza acknowledges that he and his wife are here illegally. But in every other respect, he says, they are law-abiding residents. "We work hard. We have a clean record. We file our taxes," he says.

Mrs. Castillo jots down the couple's ITIN numbers on their 1040 form. Last year, \$1,464.88 in Social Security and \$342.60 in Medicare were deducted from Mr. Espinoza's wages. His wife paid several hundred dollars in Social Security and Medicare, too. In addition, \$3,508 in federal taxes was withheld from their combined salaries. Mrs. Castillo figures they will get a \$3,462 refund from the IRS, putting their total federal tax bill at \$46.

Berénice Reyes, a 24-year-old student, has brought W-2 forms for two years of work at a sandwich shop. She says she wants to pay her taxes to prove she could be a good citizen. Since it's her first time filing taxes, Mrs. Castillo helps her fill out a W-7 ITIN application, which states that "getting an ITIN does not change your immigration status or your right to work in the U.S."

The irony of filing a tax return isn't lost on Ms. Reyes, who works to pay her college tuition and aspires to teach high school in South Central. "I'm trying to go by the law," she says. "But according to other laws, I shouldn't even be in this country."

Mrs. Castillo started working as a clerk in the IRS's Los Angeles office in the mid-1970s. Eventually, she began volunteering during tax season at a church in South Central. In time, Mrs. Castillo decided she wanted to start her own tax business, so she quit the IRS job to avoid a conflict of interest and took another full-time post at a different government agency. She launched the business on the side, charging people to fill out their returns from an improvised office on her parents' covered front porch. In 1999, her husband, Gerardo, converted a dilapidated taco stall into an office.

Mrs. Castillo charges a fraction of what large tax preparers charge—a flat \$40 for a simple 1040A form. She spends about 20 minutes a customer, often inquiring about deductibles that they might have overlooked. Because the undocumented immigrants hear about her by word of mouth, they say they feel more comfortable at her office than they would at a large tax-preparation firm. Customers who have moved to Texas, Arizona and the Southeast still use her services.

Even Workers In U.S. Illegally Pay Tax Man

Booming Los Angeles Business Caters To Immigrants Who Need Help Filing

By MIRIAM JORDAN
Los Angeles

ON A RECENT Sunday afternoon, construction workers, car washers, truck drivers and students crowded into Petra Castillo's one-room tax-preparation office in this city's South Central neighborhood. Most of those inside what was once the home of El Jefe Tacos shared something besides their need to beat this year's April 17 filing deadline: They are illegal immigrants.

"They are undocumented, but they want to do everything right," says Mrs. Castillo, 50 years old, who has a no-nonsense demeanor as she juggles phone calls and customers, mainly speaking in Spanish.

Politicians and activists campaigning for a crackdown on illegal immigration frequently complain that the nation's estimated 12 million undocumented residents violate U.S. law by not paying taxes, as well as by being in the U.S. without permission. But Mrs. Castillo's booming business

shows how some of the workers who are here in defiance of one arm of the U.S. government—the Department of Homeland Security—are filing federal tax returns with the aggressive encouragement of another—the Internal Revenue Service.

"If someone is working without authorization in this country, he or she is not absolved of tax liability," IRS Commissioner Mark Everson, a former immigration official, said in

Please turn to the back page



Undocumented workers wait inside the former taco stall, left, where Petra Business Services helps them file their tax returns.

Michael Justice (2)

Zoot Suit Riots

Set in the environment of ethnic and racial paranoia that defined the early 1940s in Los Angeles, California, the "Zoot Suit Riots" were a defining moment for Zoot Suiters and the Mexican American community. In March and April of 1942, the entire Japanese and Japanese American population on the West Coast of the United States were deported to "relocation centers" (mild euphemisms for concentration camps) located in the interior of the U.S. Without the Japanese Americans around to focus the locals' racial paranoia, Los Angelenos began to look toward the Zoot Suiters. A "Mexican Crime Wave" was announced by local newspapers (precursors to today's tabloids and pioneers in "yellow journalism"), and a special grand jury was appointed by the city of Los Angeles to investigate.



Around the same time, the Los Angeles County Sheriff's Department also decided to investigate and appointed E. Duran Ayres to head their Foreign Relations Bureau. And though Mr. Ayres accurately identified much of the active discrimination that was occurring against the "Mexican element", he drew some startling conclusions, which were presented to the grand jury:

"He stated that Mexican Americans are essentially Indians and therefore Orientals or Asians. Throughout history, he declared, the Orientals have shown less regard for human life than have the Europeans. Further, Mexican Americans had inherited their 'naturally violent tendencies from the bloodthirsty Aztecs' of Mexico who were said to have practiced human sacrifice centuries ago. At one point in his report Ayres even compared the Anglo to a domesticated house cat and the Mexican to a 'wild cat,' suggesting that the Mexican would forever retain his wild and violent tendencies no matter how much education or training he might receive.

On the night of August 1, 1942, Zoot Suiter Henry Leyvas, 20, and some of his friends were involved in a fight with another group of Pachucos at the Williams Ranch by a lagoon. Later the next morning, a man named José Diaz was found bleeding and unconscious on a road near the lagoon (later named the Sleepy Lagoon by a reporter). He later died. Though one medical examiner stated that his injuries were consistent with that of being hit by a car, Henry Leyvas and 24 members of the "88th Street gang" (as the group had been dubbed by the local tabloids) were arrested and charged with the murder of José Diaz. Led by the local tabloids, a public outcry for "justice" and vengeance against the Zoot Suiters caused the Los Angeles Police Department to conduct a roundup of over 600 people on the nights of August 10th and 11th. All were charged with such things as suspicion of assault, armed robbery, etc., and 175 people were held on these charges. Of the 600 plus people arrested during this roundup, every single one was a Spanish-surnamed individual.

During the time leading up to the trial and for two weeks into the trial, Henry Leyvas and his co-defendants were not allowed to change their clothes by order of the trial judge, Charles Fricke. The district attorney reasoned, and Judge Fricke agreed, that the jury should see the defendants in the Zoot Suits, which were obviously only worn by "hoodlums". During the trial, 22 of the 24 co-defendants (including Henry Leyvas) were tied together. Whenever a witness or the District Attorney mentioned their names, the defendants were instructed by the judge to stand up, regardless of how damning the statements being made were. Judge Fricke also had E. Duran Ayres come and testify as an "expert" witness as to his belief of the Mexicans' penchant for killing and their "blood thirst". The trial went on for five months and on January 15, 1943, nine of the co-defendants (including Henry Leyvas) were found guilty of

second-degree murder, given prison terms of five years to life, and shipped off to the infamous San Quentin Prison.

On the night of June 3, 1943, eleven sailors on shore leave stated that they were attacked by a group of Mexican Pachucos. In response to this, a group of over 200 uniformed sailors chartered 20 cabs and charged into the heart of the Mexican American community in East Los Angeles. Any Zoot Suiter was fair game. On this and the following nights, many Zoot Suiters were beaten by this mob and stripped of their clothes on the spot. Nine sailors were arrested during these disturbances, not one was charged with any crime. On the following nights of June 4th and 5th, the uniformed servicemen again invaded East Los Angeles, marching abreast down the streets, breaking into bars and theaters, and assaulting anyone in their way. The Police or the Sheriff arrested not one. In fact, the servicemen were portrayed in the local press as heroes stemming the tide of the "Mexican Crime Wave." During the nights of June 6th and 7th, these scenes were again repeated. Time Magazine later reported that, "The police practice was to accompany the caravans of soldiers and sailors in police cars, watch the beatings and jail the victims." According to Rudolpho Acuña in Occupied America, "Seventeen-year-old Enrico Herrera, after he was beaten and arrested, spent three hours at a police station, where he was found by his mother, still naked and bleeding. Police arrested over 600 Chicano youths without cause and labeled the arrests 'preventive' action.

Finally, at midnight on June 7th, the military authorities did what the city of Los Angeles would not; they moved to stop the rioting of their personnel. Los Angeles was declared off limits for all military personnel. Though there were little consequences for the rioters there was some public outcry. On June 16th, 1943, Eleanor Roosevelt commented in her column that, "The question goes deeper than just suits. It is a racial protest. I have been worried for a long time about the Mexican racial situation. It is a problem with roots going a long way back, and we do not always face these problems as we should." Los Angeles' response was typified by the June 18th headlines of the Los Angeles Times, "Mrs. Roosevelt Blindly Stirs Race Discord," and she was accused of communist leanings in the accompanying editorial. Governor Earl Warren (later Chief Justice of the U.S. Supreme Court during their landmark desegregation cases) convened a committee to investigate the riots and recommended punishment for all involved in the riots, servicemen and civilians. Other than the charges filed against the Mexican American victims, no punishment was ever meted out.

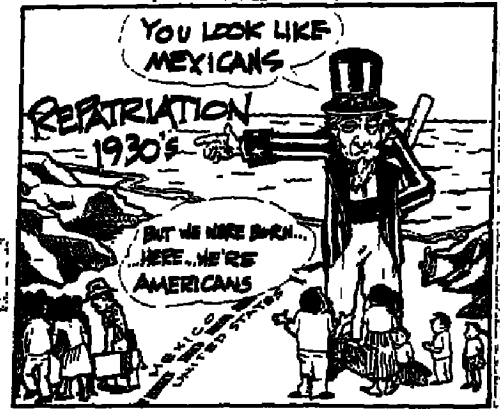
As the riots subsided, the governor ordered the creation of a citizens committee to investigate and determine the cause of the riots. In 1943 the committee issued its report; it determined racism to be a central cause of the riots. At the same time, Mayor Fletcher Bowron came to his own conclusion. The riots, he said, were caused by juvenile delinquents and by white Southerners. Racial prejudice was not a factor.



CALIFORNIA

The '30's Repatriation Program

... reported to the Governor of California of the Immigration Acts of 1921 and on a large scale in the Southwest to had been formerly recruited in South- concentration of this new immigration in an ever increasing number of Mexi- their "intended" permanent resi- regarded Southern California more and during the decade from 1919 to that time there was a scarcity of cheap ere made welcome.



valuable contributors to other employ- ment sectors, Mexicans had been viewed as an economic liability and had become objects of resentment as recipients of scarce public relief funds. When it became apparent in the 1930s that for the relief of the unemployed would assume huge proportions in the Mexi- can quarter, the community swung to a determination to oust the Mexicans. Thanks to the rapacity of his overlords, he had not been able to accumulate any savings. He was in default in his rent. He was a burden to the taxpayer. At this juncture, an ingenious social worker suggested the desirability of a wholesale deportation. But when the Federal authorities were consulted they could promise but slight assistance, since many of the younger Mexicans in Southern California were American citizens, being the American-born children of immigrants. Moreover, the Federal officials insisted, in cases of illegal entry, upon a public hearing and a formal order of deportation. This procedure involved delay and expense, and, moreover, it could not be used to advantage in ousting any large number.

The government's solution was the Re- patriation Program. In cooperation with the Mexican government, which had regretted the loss of so many able workers, U.S. federal, state, county, and local officials applied pressure on Mexicans to "voluntarily" return to Mexico. Negotia-

tions were at once opened with the social-minded officials of the Southern Pacific Railroad. It was discovered that in wholesale lots the Mexicans could be shipped to Mexico by rail. The cost per capita was quite reasonable, especially in the east of a coast. This procedure required no formal deportation. Mexican aliens, who lacked documents of legal residency, including many who had entered the United States in good faith during an earlier period when immigration from Mexico was a more informal process, were particularly vulnerable. Among the victims of the process were naturalized and U.S. born husbands, wives, and children of Mexican repatriates, who had to choose between remaining in the United States and maintaining family unity by moving to Mexico. And so, about February, 1931, the first trainload was dispatched and shipments of the sort continued month by month.

The Depression had also had a long- existing effect on the govern- ment's policy of immigration enforcement. During the Depression, the use of force was minimized and the number of immigrants allowed to enter and added to the population was limited by laws of immigration control. The im- migration laws were enforced with a distinction between the two groups.

