

\$ 1,200 Coronavirus Stimulus Checks Wrongly Sent to Foreign Workers Abroad

Toronto, Ontario Jan 6, 2022 ([IssueWire.com](https://www.issuewire.com)) - Thousands of foreign workers who entered the United States on temporary work visas were mistakenly given checks for \$ 1,200 in the first round of covid 19 stimuli, many of them spending the money in their countries original. A tax preparation company told NPR it had customers from 129 countries that had falsely received incentive checks, including Brazil, Canada, China, India, Nigeria, and South Korea.

Government officials and tax experts say the error occurred because many foreign workers, unwittingly or on purpose, file false income tax returns that make them look like US residents. Some of them are now trying to change their statements because they fear that a bogus stimulus check could jeopardize their visa status, their green card application or their ability to return to the United States.

It is difficult to quantify how much incentive money was sent in error to foreign workers living abroad. But 1040 Abroad, which files U.S. income tax returns for non-residents, has filed around 400 amended returns last year for people who have falsely declared their U.S. resident status, and so far this year. , it deposited 5,000, or nearly 5% of the total. The federal income tax returns it filed last year, the company said. If only 5% of the more than 700,000 students and seasonal workers last year with F-1 and J-1 visas mistakenly received a stimulus check, that would total \$ 43 million.

The "economic impact payments" mistakenly sent to non-U.S. Citizens are the latest in a series of coronavirus relief efforts, including nearly \$ 1.4 billion in stimulus checks sent to deceased Americans. As Congress debates another pandemic relief plan, it contemplates the second round of payments that will exclude the deceased, but the new law fails to address the problem of \$ 1,200 checks accidentally going to workers foreigners in other countries.

Many of these workers are students, often from Eastern Europe and South and Central America, who come to the United States for low-wage temporary and seasonal jobs, such as waiters, lifeguards, and housekeepers. cleaning of hotels in ski resorts, amusement parks, and seaside destinations. In a typical year, the United States issues work visas to several hundred thousand international students. One of them is a 24-year-old Dominican Republic citizen who worked in a Cape Cod grocery store last summer and received a \$ 1,200 stimulus check signed by President Donald J. Trump this spring.

"I was really surprised because I wasn't expecting this money," the man told NPR, who agreed not to identify him because he feared receiving the check would put him in conflict. with the US government. "I don't want any trouble," added the man, whose former Cape Cod owner took the check and sent it to the Dominican Republic. "If they tell us to fire him, I'll fire him." This is not a problem."

He said that many foreign worker students he knows have also received incentive checks, including people in Bulgaria, Colombia, Jamaica, and Montenegro. Sometimes the checks were deposited directly into bank accounts registered with the IRS. Sometimes the checks were mailed to their old address in the United States and forwarded to them. And some checks could have been sent directly overseas.

The payments were meant to boost the US economy by giving consumers money, but this Dominican man will not be able to work on Cape Cod this summer because the Trump administration's freeze on foreign work visas has prevented seasonal workers to come to the United States - so he will spend his

stimulus money in his own country.

"To be honest this money is a big help," he said, "because we can buy food, we can pay for cable services and we can also pay for college," referring to a school in the Dominican Republic where he is taking courses online.

Only US citizens and US "resident aliens" are eligible for the incentive money, but the Dominican man interviewed by NPR and some of his friends do not meet this eligibility standard. A "resident alien" is a federal tax classification and to qualify, a person needs a green card or must have been in the United States for a certain time.

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The US government acknowledges that some incentive checks were erroneously sent to foreign workers and told NPR that the Treasury Department is "looking at options" to prevent this from happening again.

Most foreign workers file a 1040-NR form - the NR stands for non-resident - but instead file a bogus 1040, the form most commonly used by U.S. taxpayers, according to CPA Olivier Wagner, who specializes in accounting. and has a background in immigration tax law.

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"I would say probably that between a third and a half [of the first foreign filers] file the

bad return, "especially if they are using e-filing software like TurboTax which is only intended for US residents, said Olivier Wagner.

When foreign workers submit the wrong form, "I don't know if the IRS could tell," he added. "I mean, they can't know. You do not draw on your... [1040 form] income tax return, whether you are a citizen.

If a foreign worker fills out an incorrect tax form and also has a US address, IRS bank account, and Social Security number - as many foreigners do with a work visa - it increases the likelihood. that the IRS accidentally sends them a stimulus. check it out, he said.

Some foreign workers didn't realize they had filled out incorrect tax forms until they mistakenly received an incentive check this spring, and are now trying to change their returns, said Olivier Wagner, managing director of 1040. Abroad.

"We saw a lot of people contact us after the first stimulus payment because they said, 'Hey, I got that check. I never asked for it, didn't think I was entitled to it, and how do I do it? is not it ?' ", he said.

These customers came from 129 different countries, said Olivier Wagner, including Argentina, Zimbabwe, Peru, Colombia, Vietnam, Pakistan, Spain, Japan, Germany, Ghana, Russia, Nepal, Mongolia, Uzbekistan, and the Philippines.

"This is a serious problem," he added, noting that in a recent 1040 Abroad survey of more than 500 schools, 43% said they had students or scientists who thought they were receiving in such away. inappropriate stimulation controls. As a result, many schools "think it's a big deal," he said.

"I'm not surprised this has happened," Georgia attorney Cartwright said. "Does that make political sense now?" Probably not.'

Olivier Wagner said Congress was in "panic mode" in March as the US economy stagnated due to the pandemic, so he rushed funding for the stimulus. "You know - to hell with the torpedoes, full speed ahead. We have to get the money out, "he added. "So they do it and live with the consequences," including those that aren't intentional.

"It's overflowing," Olivier Wagner said of the money that accidentally leaked overseas when Congress tried to flood the US economy with stimulus money. "I don't mean to sound arrogant or arrogant, but it's overflowing."

The IRS says non-U.S. Residents who wrongly received stimulus money must return it. But Olivier Wagner expects that if additional incentives are paid, some foreign workers who have attempted to return their wrong first check will receive a second.

Media Contact

1040 Abroad Inc.

owagner@1040abroad.com

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