



## USED AND ABUSED | A system ripe with fraud

**'The contractors take care of everything. They give you your name, your Social Security number. We don't even fill out an application.'**



Field workers pick peppers in Madison County. Many labor under assumed names and with phony documents.

PAUL J. MILETTE/Staff Photographer

# If it's Tuesday, he's Jose

*In agriculture, there is a wink-wink, nod-nod, and everyone knows: Bogus identities are commonplace.*

By CHRISTINE EVANS and CHRISTINE STAPLETON  
Palm Beach Post Staff Writers

Night in the camp in Indian River County.

Two men lug laundry bags over their shoulders. By day, they pick oranges and by night they do laundry, because their wives are back home in Mexico. Three years they have labored in the United States, and in that time they have grown accustomed to many things: English. Hamburgers. Sore backs at the end of long days.

And this: Answering to the wrong names.

"You get several identities," explains Jose Luiz, who says he is really Ismael Luna. "The contractors take care of everything. They give you your name, your Social Security number. We don't even fill out an application."

"It's a *nombre falso*, everybody knows that. It's just the name they assign you. Sometimes it's your real name, and sometimes it isn't. Sometimes it is a little like your real name but different in some way."

His friend shifts his laundry bag to another shoulder.

"I have worked as Antonio Diaz," he says, "but these days I am working as Joaquin Ramirez. I think I need to look at the check to be sure."

This is the name game that is played out daily in Florida's fields. Citrus groves, tomato fields, cornfields — this is a land of aliases.

Tap a man on a shoulder in a field or a camp and ask him who he is, and you are likely to wind up confused. He might say, "Jose, but that is just my work name." Or, "Which name do you want?"

Or even: "I cannot tell you my name, I have gone by so many."

In a way, it does not matter. A worker is a worker, at least in the eyes of the contractor who hires him, and in the eyes of the grower who hires the contractor. The system, precarious, entrenched, blessed by indifference and incompetence, is based on need:

The farmers need their fields picked clean at harvest time. The contractors need workers to fill their vans so they can deliver on promises made to the farmers. The workers, from impoverished regions in Mexico and Guatemala, need to send money home to their families.

Although the paychecks of Florida's undocumented farm workers show they pay Social Security taxes, the system is obviously flawed. Sometimes, the pay stub reflects a deduction that is actually pocketed by an unscrupulous contractor. Many undocumented workers toil for years but never receive any benefits.

If the Social Security Administration collects the tax but the worker is here illegally, the money is dumped into a special fund, the Earning Suspense File. And there it sits.

Since 1937, when the Social Security Administration began collecting withholdings, the Suspense File has received 237 million mismatched wage reports from wages that totaled \$375 billion.

"We take this very seriously," says Charles Liptz, the director for employer wage reporting with Social Security. "It all starts with bad reporting."

### 'Enforcement is . . . a joke'

The king of bad reporting is U.S. agriculture.

A 2001 study by the inspector general for Social Security examined the W-2 forms of the top 10 agricultural offenders in both California and Florida. The study found that 60 percent of the W-2s featured names and Social Security numbers that did not match, signaling a large number of bogus identities.

Two of those employers — which the Social Security Administration will not name — submitted more than 7,000 W-2s with Social Security numbers that had never been issued.

One employer submitted over 900 duplicate Social Security numbers.

All this prompted Inspector General James G. Huse Jr. to conclude that the agriculture industry is guilty of "widespread" misuse of Social Security. That might be news to some people but not those who labor

in Florida's fields or those who employ them. JoNel Newman, a lawyer for Florida Legal Services, has witnessed all kinds of pay arrangements in her representation of farm workers. She has collected so-called "pay stubs" that are just envelopes with the worker's hours hastily scrawled on the front.

"In agriculture, there is a wink-wink, nod-nod, and everyone knows we're relying on undocumented workers," says Newman. "The reason is, we aren't as a society — and the government isn't — serious about this. "The enforcement basically is a joke."

### IRS comes knocking

How big a joke?

Ask Catalina Morales, a Guatemala-born agricultural worker. She now lives in Indiantown with her husband, Roberto Lorenzo Santiago, and their three children. And she isn't laughing.

Seven years ago, she worked for DuBois Farms, one of Palm Beach County's oldest farming operations and once the nation's biggest pepper grower. Eventually, she moved on to another company. And then, in 1999, she received a letter from the Internal Revenue Service stating she owed taxes on \$3,000 in income she was certain she had not earned. Her response: "What!"

Letter in hand, she visited the IRS office in Port St. Lucie.

"I said, 'No, that's not what I earned.' The woman said, 'Well maybe you lent your papers to someone else.' I said no, and she said, 'Well maybe you lost them.' " Eventually the IRS worker checked her computer and discovered a problem:

There was indeed a Catalina Morales working at DuBois, but it was not the same

Catalina Morales standing before her now. They just happened to share the same name — and, suspiciously, Social Security number.

The real Catalina Morales tucked a tape recorder into her small black purse and paid a visit to DuBois, where she says she spoke to Joe Ortiz, an employee who handled paperwork for the company.

"He said, 'I don't know what is happening, but maybe someone bought your papers.' He said this happens to a lot of people."

At Ortiz's suggestion, she tracked down the other Catalina Morales, who happened to live nearby in Indiantown. The fake Morales, the real one says, first denied she was working under a false name and number, and then, in a later conversation, admitted it. The imposter said she had been hired under her real name, but that somewhere in the process, her identity was switched and she was paid under the assumed name.

Soon after, the real Morales says, a bus driver associated with DuBois knocked on her door and tried to present her with a check for the back taxes.

"We didn't even look at it," she says. "My husband said, 'That is not necessary. You can talk to our lawyer.'"

With a lawyer, the matter was resolved, but not before Morales received a second letter from the IRS — she owed, it said, another \$1,000.

### Farmers not 'a police force'

Joe Ortiz of DuBois said he did not recall the unusual case: "We work with so many people. I've been in the office 14 years. That's a lot of paperwork."

Larry Schone, a lawyer for the company, said, "It was an isolated incident." He added that DuBois had cooperated with Florida Legal Services, which looked into the case on behalf of Morales. He declined to comment further.

It is a touchy subject, certainly. According to the 2001 study by the Social Security inspector general, various farmers knew many of their workers were undocumented, but as the report summarized it, "They did not believe it was their responsibility to be a police force."

"These employers stated they could go

out of business if they asked too many questions regarding their employees' work eligibility," the inspector general wrote.

But what about getting caught? Didn't that worry the farmers?

Not according to the IG report, which noted that "one employer told us it is a business decision and the company will take its chances with the government."

Jay Taylor, owner of Taylor & Fulton farms, a fruit and vegetable grower in Florida and Virginia, says farmers can't win under the competing interests of the law.

"On the one hand, we've got Social Security saying we are responsible for verifying the numbers and collecting the funds," he says. "On the other hand, we've got the Department of Labor telling us that if we don't accept their identification, we could be held liable for discrimination."

"We can't single someone out because they look like they were born somewhere else."

It is common knowledge that an aspiring worker who lacks the proper paperwork can get it, by trading money or labor to procure a real document, or by buying a fake set of documents, commonly available at flea markets and from drivers who transport field workers. As a last resort — or, perhaps, a lucky break — a worker might find himself with a new identity courtesy of his employer, who has somehow manufactured or recycled the necessary identification.

With his papers in hand, the worker is guaranteed a certain measure of job security based on the presumption that the farmer would rather get the crop out than busy himself with replacing workers who do not meet eligibility standards. For, as the government likes to point out, invalid Social Security numbers are not difficult to isolate.

The SSA even offers a program that does just that.

The only catch is, it's voluntary. Employers have to sign up for it; many times, it seems, they would rather not.

Of the 6.5 million employers in the U.S., only 392 employers actually used the service during the three years studied by the inspector general.

Even when the SSA catches the offending employers in the act, which it sometimes does, the agency is essentially powerless to correct the situation.

It can send out letters, called "no-match letters," informing deviant employers that the names and numbers of their workers do not match. Usually, this results in protracted correspondence between the employer and the agency but little else.

"Enforcement is not our mission," says Liptz, the SSA director of employer and wage reporting. "It's the IRS. We feed them all the W-2s that come in."

### Background check isn't mandatory

But the IRS hasn't levied any fines, either.

"First of all," says Joseph Brimacombe, director of small business compliance at the IRS, "the authority does not give us a great deal of impact over the employer."

The fine for filing a false wage statement is \$50 per report, with a maximum fine of \$250,000. And under the law, the fine must be waived if the employer can prove "due diligence" in verifying the worker's status.

"The requirements on the employer aren't as extreme as most people assume," Brimacombe says. "There is nothing requiring the employer to do a background check."

One more thing:

Not everybody needs a Social Security number. In 2003, it's still possible to gain employment and earn a paycheck without one.

Out at the camp in Fellsmere, a few days after he did his laundry, the man known sometimes as Antonio Diaz and sometimes as Joaquin Ramirez scrutinized his pay stub.

"You know," he said, "I have been working for this contractor for two months, and I just noticed there is no Social Security number on here."

No number — but a deduction. For \$23.55.

**DuBOIS HARVESTING, INC.**  
11305 State Road 7  
Boynton Beach, FL 33435

 2918 175 CATALINA MORALES 590-80-1253 05/08/96	 Slapped with a \$3,000 IRS bill Faced with a demand for income taxes she did not owe, Guatemala-born Catalina Morales (above and upper left), a former employee of DuBois Farms, discovered that a later DuBois worker (bottom left) was working under her name and Social Security number.
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### Social Security fraud runs rampant

**Social Security gave 96,274 cards** to foreign-born individuals who had improper documents in 2000. In nearly 80 percent of those cases, the Immigration and Naturalization Service had no record of entry for these workers.

**Social Security withholdings on \$375 billion** in wages sit in an 'Earning Suspense File' because workers who paid those taxes have mismatched numbers.

**60 percent of the W-2 forms** of 20 agricultural firms examined by the inspector general featured names and Social Security numbers that did not match, signaling many bogus identities.

