



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

September 21, 2020

The Honorable Karen R. Bass
U.S. House of Representatives
Washington, DC 20515

Dear Representative Bass:

I write in reply to your July 17, 2020 letter regarding the eligibility of incarcerated Americans for Economic Impact Payments (EIPs), as provided under section 2201 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

With respect to incarcerated individuals, Treasury and the IRS have administered EIPs consistent with the authority Congress provided Treasury under the CARES Act to prescribe “such regulations or other guidance as may be necessary to carry out the purposes” of EIPs. The guidance the IRS issued regarding the availability of EIPs as an advance credit to incarcerated individuals was intended to address concerns of possible fraud.¹ It was also intended to address congressional intent regarding EIP availability. The primary goal of EIPs was to help stabilize the economy by putting money, as rapidly as possible, into the hands of those workers whose economic livelihood were being threatened by the COVID-19 pandemic. Although the threat of COVID-19 has presented unique risks for incarcerated individuals, prisoners generally are more insulated from the economic effects of the pandemic than many others because their basic needs such as food, shelter, and health care are already being provided for by the state and paid for by taxpayers.

If you have further questions, please direct your staff to contact the Office of Legislative Affairs.

Sincerely,

Frederick W. Vaughan
Principal Deputy Assistant Secretary
Office of Legislative Affairs

¹ The IRS regularly receives information about possible fraudulent tax refunds and what is considered “frivolous” tax activity involving prisoners, as well as information about incarcerated individuals using possible “stolen” identities to obtain false refunds. For example, the IRS receives information from an intelligence unit of the federal Bureau of Prisons that directly monitors suspicious federal prisoner activity. The information is then shared with appropriate parts of the IRS for further analysis. Fraudulent activity involving tax refunds is prevalent among the prison population. See 2014 TIGTA Report: Prisoner Tax Refund Fraud, at <https://perma.cc/24RS-9PQ7>; 2017 TIGTA Report: Actions Need to Be Taken to Ensure Compliance with Prisoner Reporting Requirements, at <https://perma.cc/FV5U-2G7D>.

cc: The Honorable Danny K. Davis
The Honorable Robert C. "Bobby" Scott
The Honorable Alma S. Adams, Ph.D.
The Honorable Joyce Beatty
The Honorable Lisa Blunt Rochester
The Honorable André Carson
The Honorable Wm. Lacy Clay
The Honorable Val Demings
The Honorable Dwight Evans
The Honorable Marcia L. Fudge
The Honorable Steven Horsford
The Honorable Henry C. "Hank" Johnson, Jr.
The Honorable Robin L. Kelly
The Honorable Brenda L. Lawrence
The Honorable Gwen S. Moore
The Honorable Eleanor Holmes Norton
The Honorable Donald M. Payne, Jr.
The Honorable Ayanna Pressley
The Honorable Bobby L. Rush
The Honorable Terri A. Sewell
The Honorable Bennie G. Thompson