STOLEN FUTURES: IDENTITY THEFT AND FOSTER CHILDREN

Idaho Coalition Against Identity Theft

- Idaho Legal Aid was one of the 10 groups awarded a grant under the National Project
- The Idaho Coalition: Serving victims in our communities.
  - Focus is seniors and "near seniors" age 50+
- Why the Coalition was formed:
  - Identity theft is a growing problem in Idaho.
  - Seniors are often particularly vulnerable to identity theft.
  - Victims in Idaho are not currently being served in a coordinated fashion

To find out more about the Idaho Coalition Against Identity Theft (ICAIT) contact

Sunrise Ayers at

sunriseayers@idaholegalaid.org or

208-345-0106, ext. 1511

https://www.facebook.com/idahocoalitionagainstidtheft

To find out more about the national network of Coalitions, visit:

www.identitytheftnetwork.org

How Common is It?

Thirty Percent

1 in 40

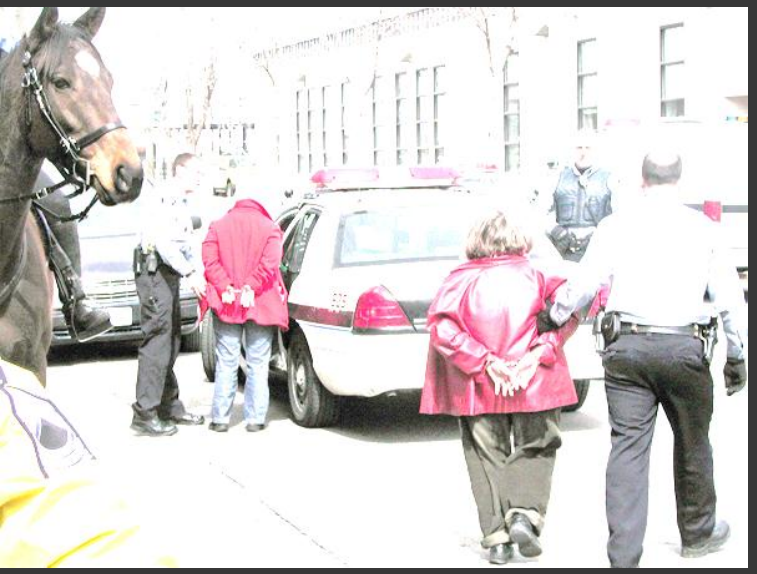
Why Children Are Targeted

- Clean credit histories
- Likely to go undetected
- Foster children at increased risk
  - Personal information is more widely distributed
- Low income/desperation/lack of access to credit

How It Happens

- Child is issued a Social Security number that is already in use
- Data Breaches
- Theft of personal identifying information
- Also susceptible to the same forms of ID theft faced by adults:
  - Obtaining information shared on the internet
  - Dumpster diving
  - Stealing mail
  - Stealing a wallet or purse
  - Skimming devices
  - Phishing

Consequences of Identity Theft:



1. Denial of credit
2. Increased rates and financial charges
3. Loss of employment
4. Inability to get a job
5. Bankruptcy
6. Arrest
7. Loss of money associated with repairs
8. Missed opportunities (housing, employment, education)

How Does Identity Theft Affect Victims?

- Recovering victims spent an average of $1,870 in out-of-pocket costs.
- Over 3 million experienced issues such as:
  - having utilities cut off
  - being arrested
  - finding erroneous claims on their health records
  - being harassed by collection agencies
- Foster youth face special challenges
  - Isolation
  - Lack of trust

How Does Identity Theft Affect Victims?

53% of victims feel moderate to severe distress from the identity theft

- Why did this happen to me?
- The police don't care
- Anger/Frustration
- Vulnerable/Violated
- Helpless/Stressed
- Depressed
- Suicidal

For the National Crime Victimization Survey (NCVS), the definition of identity theft includes three general types of incidents:

- unauthorized use or attempted use of existing credit cards
- unauthorized use or attempted use of other existing accounts, such as checking accounts
- misuse of personal information to obtain new accounts or loans, or to commit other crimes.

Protecting A Child's Identity

- Keep documents locked up
- Safeguard child's Social Security number
- Check for secure websites
- Use antivirus and firewall protections
- Safely dispose of personal information
- Discuss internet safety:
  - "strong" passwords, file sharing, privacy settings on social media sites

Warning Signs of ID Theft

- Child receives suspicious mail such as pre-approved credit card offers
- A credit report exists in child's name
- Calls from collection agencies, credit card companies, or medical providers
- Denial of government benefits due to another account using the child's Social Security number
- IRS or Social Security Administration requesting confirmation that child is employed or asking her to pay taxes, but she is not working

When Identity Theft is Discovered: Help Foster Youth Will Need

- Prevention
  - Monitoring accounts
  - How to spot phishing
- Close accounts
- Assist victim with creditors
- Assist with credit report
- Advise to complete an FTC affidavit
- Advise to file a police report
- Provide appropriate referrals

Credit Monitoring

- Have to provide verification that you have legal authority to request the information
- Have to prove the youth is in foster care
- Have to provide youth's last known address, other birthdates, and nicknames
  - But: Ask the CRA to run a report with SSN only as well!
- Each CRA has their own procedure for making requests

Monitoring Credit Reports

Look for:

1. Accounts victim didn’t open
2. Activity on accounts victim had closed or were dormant
3. Changes to personal info such as name, address, DOB, SSN, employer
4. Credit inquiries from companies victim didn’t contact

Recovery Steps

- Step 1: Contact the CRA's
- Step 2: Fraud Alert
  - Signals potential creditors that someone else is using consumer's identity
  - Only have to contact one of the 3 CRAs
  - Last 90 Days
  - Creditor *must* take additional steps to confirm the applicant's identity before issuing new credit, raising limit, etc.
- Step 3: Consider a Credit Freeze
  - Must be requested with each CRA
  - Credit is frozen
  - PIN number to access/un-freeze
  - No fee for victims of identity theft

Recovery Steps, ctd.

- 4) Call Creditors
- 5) File a report with the FTC
- 6) File a police report
- 7) Get an Identity Theft Report
- 8) Check for non-financial ID theft

Non-Financial Identity Theft

- Criminal Identity Theft
- Medical Identity Theft
- Governmental Fraud
  - IRS tax fraud
  - SSA
  - Dept. of Social Services
- Synthetic Identity Theft
- ID Theft Assumption

Summary of Rights of Victims of Identity Theft

- Right to file identity theft report.
- Right to place fraud alert on credit report.
- Right to free credit report.
- Get documents relating to the identity theft.
- Right to a credit report free of fraudulent accounts.
- Right to stop debt collectors from contacting to collect on fraudulent debts.

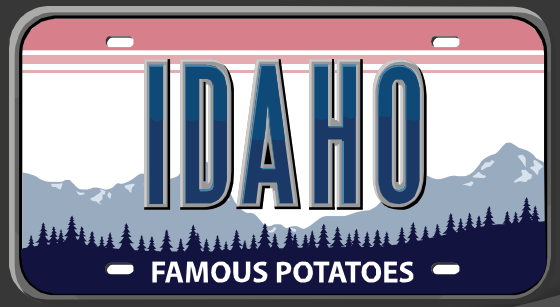
***Fair Credit Reporting Act (FCRA), 15 U.S.C. § 1681 and FAIR AND ACCURATE CREDIT TRANSACTIONS ACT OF 2003**
****THE FAIR DEBT COLLECTION PRACTICES ACT, a*s amended by Public Law 104-208, 110 Stat. 3009 (Sept. 30, 1996)***

Solutions: Federal

- New federal law requires all states to run credit checks on older foster children and help resolve ID theft cases
- Prohibit use of Social Security numbers to identify foster children
- Record management policies
- Require credit reporting agencies to allow searches of all entries that match a Social Security number

Solutions: States

- Maryland Child Identity Lock bill
- Utah: online child identity protection service
- Trainings for foster youth and foster families
- States adopt separate identifying numbers



Solutions: Family

- Teach kids not to share personal information on the Internet
- Run credit checks annually once kids turn 16
- When child's SSN is requested, ask why
- Know the signs of child ID theft

Online Training Course

- *Identity Theft Victim Assistance Online Training – Supporting Victims' Financial and Emotional Recovery*

Resources

- Region X Program Manager
  - Tina Minor – tina.minor@acf.hhs.gov, 206-615-3657
- TransUnion: http://www.transunion.com/personal-credit/credit-disputes/fraud-victim-resources/child-identity-theft.page
- Safeguarding Your Child's Future from the FTC: http://www.transunion.com/personal-credit/credit-disputes/fraud-victim-resources/child-identity-theft.page
- Identity Theft Assistance Center: http://www.identitytheftassistance.org/pageview.php?cateid=94
- Idaho Legal Aid's Identity Theft Assistance Portal: http://www.idaholegalaid.org/IdentityTheftPortal

IDENTITYTHEFTVICTIMS
ASSISTANCE NETWORK PROJECT

QUESTIONS?

This presentation is supported by Grant No. # 2010-VF-GX-K030 awarded by the Office for Victims of Crime, (OVC), Office of Justice Programs. Points of view in this presentation and accompanying documents are those of the author and do not necessarily represent the official position or policies of the U.S. Department of Justice.