THE IMPACT OF IDENTITY THEFT ON FOSTER YOUTH

2018

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Statistics on identity theft among foster youth are difficult to find, likely because most regions do not track identity theft within foster care systems. Given this reality, and the lack of information in general, The Identity Theft Resource Center and Symantec conducted a survey to better understand identity theft's impact on foster youth who are 14 and older (some of the respondents may have included those that have "aged-out" of the system). The survey was distributed to three foster youth organizations (Bill Wilson Center, Promises2Kids and Aid Adoption of Special Kids (AASK)) which are participating in Fostering A Secure Tomorrow (FAST), a pilot initiative to curb the risk of identity theft faced by foster youth. While the results of this survey are not statistically viable nationally, as it only examines a small population of foster youth in California and Arizona, it still provides a basis for evaluating trends in behavior and habits on this topic.

EXECUTIVE SUMMARY

The 2018 Child Identity Fraud Study conducted by Javelin Strategy and Research found that more than one million children were reported as victims of identity theft in 2017. Aside from that study, nearly 14,000 identity theft cases reported to the Federal Trade Commission in 2017 affected youth ages 19 and younger. It's worth noting that these are only self-reported cases and that the actual number of child identity theft victims is likely much higher. Based on the victim calls that The Identity Theft Resource Center receives, many child identity theft cases go underreported because they may have been perpetrated by a custodial or non-custodial parent, a close relative or even family friend; and the victim might not feel comfortable pressing charges.

In addition to the studies listed above, the Office of the Inspector General Social Security Administration conducted an Audit Report in 2013 to assess the potential misuse of foster children's Social Security numbers (SSN). Out of the 96,000 foster children in their population, they found that more than 4,900 claimed that someone used their SSNs for credit or other purposes.

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The numbers presented in these findings reiterate that children are just as much at risk as adults for identity theft, if not more. Children have always been an attractive target for identity thieves because their credit reports are clean and are often left unmonitored for many years, providing ample time to cause substantial damage to the child's credit.

When it comes to the foster youth population, these young adults are more vulnerable to becoming victims of identity theft because they face unique risks when it comes to identity protection and cyber security. For instance, as they move from one home to another, an expanding group of adults gain access to their private information (sensitive health information and personally identifiable information (PII)). This information is also stored in case management software and is typically accessed by several adults during their time in care, opening up opportunities for misuse.

Another reason for their increased vulnerability is that their information can be easily compromised by family members who have been separated from the child. One survey respondent indicated that while in foster care, their foster parent opened 13 credit cards in their name. This is tragic in itself, but even worse, many children only find out they are a victim when they hit adulthood. Too often, youth discover these incidents years later after getting denied for financial aid when applying for college, trying to rent their first home or even buying their first car. This can be a difficult realization and challenging road ahead for many of the 26,000+ young adults who age out of foster care each year.

CAREN'S STORY

Caren had just aged out of the foster youth system and was doing pretty well. She graduated from high school, started attending college while working part time, and even saved up enough money to rent her first apartment. However, Caren couldn't find a landlord who would rent to her because her birth mother had stolen her identity and ruined her credit history. Unable to extend her transitional housing, Caren now faces homelessness. (https://us.norton.com/internetsecurity-id-theft-how-identity-theft-can-affect-foster-youth.html)

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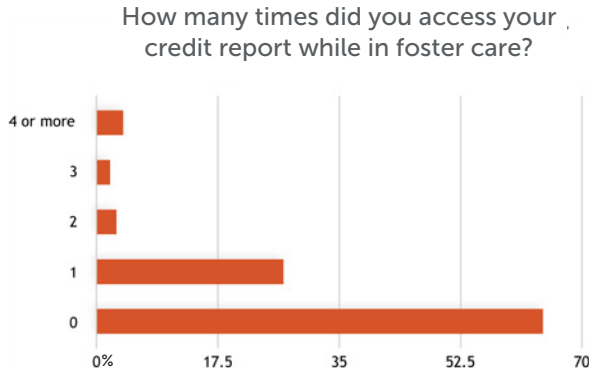
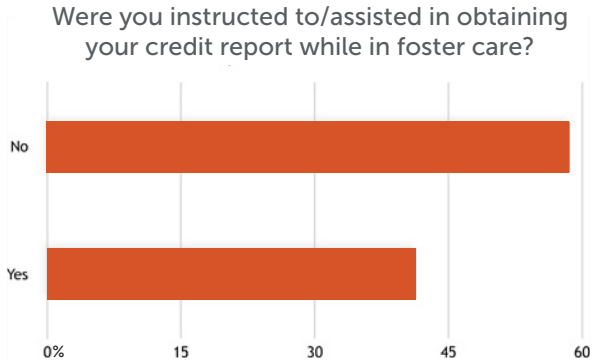
KEY FINDING 1:

FOSTER YOUTH ARE NOT CHECKING THEIR CREDIT REPORTS

Despite their increased risks of becoming a victim of child identity theft, the foster youth who responded to this survey are not checking their credit reports, which in many cases, is the first indicator of identity theft. In fact, an alarming 65 percent of those surveyed stated they did not access their credit report while in foster care and less than four percent accessed their credit report more than four times while in foster care. In addition, more than 58 percent of respondents said they were not instructed to check their credit report while in foster care. These statistics illustrate that many of these respondents could already be a victim of identity theft and not even know it yet.





KEY FINDING 2:

FOSTER YOUTH ARE LESS CONFIDENT IN THEIR ABILITY TO UNDERSTAND CREDIT REPORTS

Checking one's credit report is important, but being able to read and understand can be critical in determining whether someone is a victim of identity theft. Of those surveyed, only seven percent of individuals in foster care were extremely confident in their ability to understand their credit report, about 47 percent were somewhat confident and nearly 18 percent indicated that they were not so confident

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in understanding their credit report. These statistics suggest that foster youth need more education around checking and deciphering credit reports in order to help them discover identity theft sooner and remediate resulting issues.

KEY FINDING 3:

FOSTER YOUTH ARE VICTIMS OF IDENTITY THEFT

This survey also reaffirmed that identity theft continues to be an issue, with 15 percent of respondents indicating that they have been a victim. This is not surprising considering their increased level of risk. Some survey respondents shared how identity theft has had a lasting effect on their life:

"I had someone close to me use my information to make two credit cards in my name and then take over the amount of the limit in California before it becomes a felony, so I'm currently facing and possibly a felony and jail time." – *foster youth victim*

"I have found numerous accounts on my credit report that I never opened or knew about. I have had a hard time because of these accounts lowering my credit score and having trouble getting them deleted." – *foster youth victim*

"Somebody opened a credit card under my name a year ago, which I'm still dealing with now and this has also recently happened to my sister." – *foster youth victim*

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"Foster youth have so much that's out of their control. Not only is their information being shared and, unfortunately, often not in a secure way, they don't have that parent or guardian behind them, trying to help."

- Eva Velasquez, President and CEO, Identity Theft Resource Center

WHAT'S THE SOLUTION?

As illustrated above, identity theft among foster youth is indeed a problem, and one that doesn't appear to be going away anytime soon. To address this issue, several organizations have taken action by implementing solutions, recommendations and sharing fact sheets.

The Consumer Financial Protection Bureau (CFPB) publishes tip sheets for parents and foster care caseworkers to help children keep track of their credit. They continue to work with the Federal Trade Commission (FTC) to discuss credit issues foster children in the U.S. face after they leave foster care.

The FTC also worked with The Annie E. Casey Foundation (AECF) to release a step-by-step guide for adults working with foster children in order to reduce the threat of identity theft among this particular community. The AECF recommends educating foster youth on the risks of identity theft and the importance of credit.

In 2011 Congress passed The Child and Family Services Improvement and Innovation Act. This requires every state to check the status of foster youth for identity theft regularly. It also includes that every foster child should receive a copy of their credit report when they turn 16 and every year after until they age out of care. The service is completely free to the youth and the state can assist them in interpreting and resolving any mistakes within the report.

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WHAT ARE WE DOING?

Knowing firsthand how devastating identity theft can be on children in general, and even more so for foster youth, The Identity Theft Resource Center is working with Symantec on their new corporate responsibility initiative: Fostering a Secure Tomorrow (FAST). The purpose of this initiative is to help foster youth between the ages of 16 to 21 to restore their identities and further reduce the risk of identity theft within the broader population. FAST will provide access to Symantec/ Norton software products and restorative services from LifeLock.

In addition, Symantec employees will be mentoring youth, offering program training and encouraging strong policies to protect foster children. Symantec and The Identity Theft Resource Center are also partnering with TechSoup to assist three foster youth-focused nonprofits: Promises2Kids, Bill Wilson Center and Aid to Adoption of Special Kids. Across these organizations, they will provide assistance to help their clients in mediating identity theft.

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SUMMARY

There are more than 438,000 U.S. children in foster care, many of whom may be at an increased risk for identity theft. Although steps are being made by some entities and child advocates, foster care organizations and foster care parents can also play an integral role in helping these youth minimize their risks. Educating them at an earlier age about the importance of cyber security, identity theft and privacy is much needed based on the responses that were received in this survey.

It's also imperative to limit access to the children's personal information to the right individuals, including only specific individuals within organizations that truly require the information. Preventative measures to reduce the use of personal data, such as providing a temporary identification number for foster children in the system, instead of their Social Security number, can further secure their information among a smaller group of people.

In addition to the tips above, The Identity Theft Resource Center recommends taking protective measures at an early age. Monitoring credit regularly can help detect the theft earlier, which might minimize the damage caused, and resolve the case in a timely matter. Utilizing tools such as a credit freeze can also mitigate certain aspects of identity theft and fraudulent use of a foster child's PII for nefarious purposes.

There is still a lot of work to be done in this area, but through better education in the foster youth industry, especially among the youth themselves, and by establishing initiatives like FAST, the hope is that one day this population will be less vulnerable to identity theft and set up for a stronger start in adulthood.

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3625 Ruffin Road #204
San Diego, CA 92123