

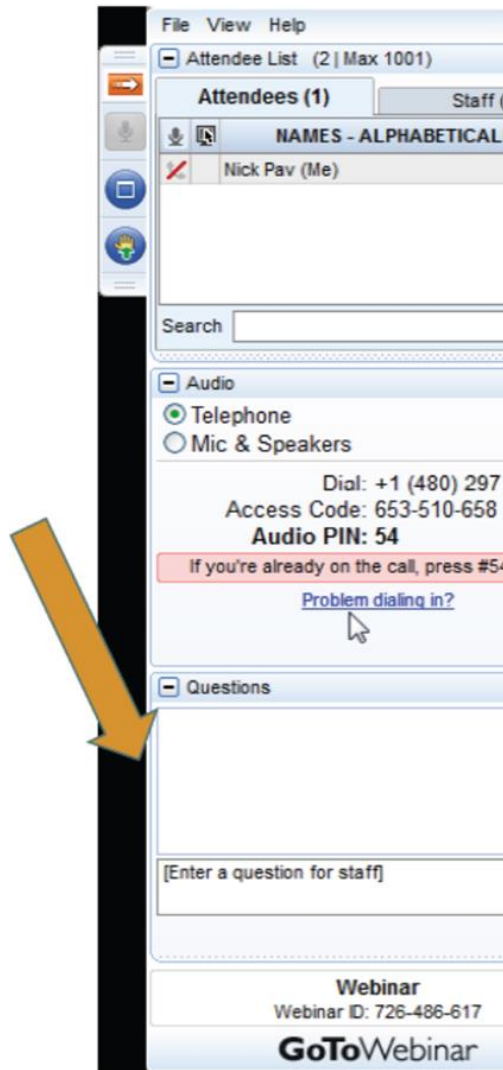
POLICY WEBINAR | SEPTEMBER 2022

Protecting the Financial Future of Foster Youth

An Advocate's Guide to Addressing Foster Youth Identity Theft

ALLIANCE
for CHILDREN'S
RIGHTS





Logistics

- Webinar resources, including recording and supplemental materials, will be posted at <https://allianceforchildrensrights.org/resources/>
- All attendees are muted during webinar.
- Please submit questions using the “Questions” function on your GoToWebinar dashboard.

Foster Youth Identity Theft Training Webinar

September 21, 2022

Law
Foundation
OF SILICON VALLEY



What is the Law Foundation?

The Law Foundation of Silicon Valley is a nonprofit leader that advances the rights of under-represented individuals and families in our diverse community through legal services, strategic advocacy, and educational outreach.

We focus on three areas: **housing**, **children's rights**, and **health** (including mental health) throughout Silicon Valley, but predominantly in Santa Clara County. The majority of our clients are low-income, and our legal services are free of charge.

The Law Foundation was established in 1974 and now has approximately 90 staff members, 50 of whom are attorneys. The remaining staff are social workers, community advocates, and critical members of our intake and administrative support teams.

Agenda: What will you learn today?

The policy purpose and legal framework for system-involved youth to receive assistance with obtaining and reviewing credit reports

How to identify indicators of ID theft and/or errors when reviewing a credit report

After reviewing a credit report, how to compile the documents required to correct fraud or errors

Introduction to Identity Theft

Identity theft is one of the fastest-growing crimes in the U.S.

Credit Identity Theft: Using someone else's personal, identifying information to spend or borrow money



- Identity thieves can “drain your bank account, run up charges on your credit cards, open new utility accounts, or get medical treatment on your health insurance.”

Impact of Identity Theft on Youth

Consumers Pay Out of Pocket to Resolve Child ID Fraud

**1.25
Million**

children were
victims of ID fraud in
the past year

**\$918
Million**

lost to child ID
fraud in the past
year

**~1 in 50
children**

became an ID
fraud victim in the
past year

\$372

average
out-of-pocket cost
for a family to resolve
child ID fraud



Source: Javelin Strategy & Research, 2021

Impact of Identity Theft on Youth

Youth are

35X

more likely to be victims than
adults

Between

8%-10%

of CA foster youth are victims
of identity theft

There is no national data on the number of foster youth victimized by identity theft.

System involved youth are hit especially hard by identity theft due to the inherent disadvantages of being in a system.

Client Stories

“Tasha” was preparing for college and was unable to rent an apartment near the college due to outstanding debts for accounts opened in her name.

Client believed that her biological mother misused her identity.

We helped her with a FTC report and dispute letters.



How Identity Theft Affects Foster/Homeless Youth

Poor credit can affect basic life activities for these young adults:

- Renting an apartment
 - Buying a car
 - Getting a job
 - Opening a bank account
 - Obtaining student loans
 - Getting a phone
- Youth who are victims of identity theft experience a transition to adulthood that is more complicated, frustrating, and expensive than it should be.

Legislation Addressing FYID Theft

Recognizing that children in the foster care system may need a little extra help to determine if their personal information has been misused, state and federal policymakers now require all three credit report agencies (“CRAs”) to provide free credit reports to foster youth, and require child welfare agencies to obtain and examine credit reports of all foster youth.

Legislation Addressing FYID Theft

**Sept 30
2011**

President Obama signed Public Law 112-34, The Child and Family Services Improvement and Innovation Act

Requires that each foster youth who has reached age 16 receive a free copy of any credit reports every year while in foster care.

Requires that the foster youth receive assistance in interpreting and resolving any inaccuracies in the credit report.

2014

Federal law was amended

- **Public Law 113-183, Preventing Sex Trafficking and Strengthening Families Act**, lowered the threshold age from 16 to 14 for the foster youth credit report requirement.

Legislation Addressing FYID Theft

**Sept 29
2014**

California enacted AB 1658 (Chapter 762, Statutes of 2014)

- Requires county welfare departments, county probation departments, or the State Department of Social Services to inquire of each of the three major credit reporting agencies as to whether a child described has any consumer credit history as specified. California law was enacted in 2015 to conform to the federal law.

**Sept 23
2016**

California enacted AB 1580 (Chapter 494, Statutes of 2016)

- Requires a consumer credit reporting agency to place a security freeze for a protected consumer (which includes a person under the jurisdiction of a county welfare department or county probation department who has been placed in a foster care setting and is under 16 years of age at the time a request for a security freeze is made) upon the request of the consumer's representative.

Challenges for Addressing Youth ID Theft

There are numerous systemic barriers that prevent you from assisting your clients with accessing their credit reports and resolving any errors.

CRA's will not typically communicate with anyone other than the parent, child welfare agency or the youth. Thus, advocating on behalf of youth clients can be challenging for a non-profit or legal services agency unless there is an agreement or authorization that permits the communication.

Specific documentation is required for remediation of errors or fraudulent accounts (Court order or legal agency agreement, birth certificate, Limited Scope Power of Attorney, Authorization to Release Information & Records, etc.).

Youth don't understand the importance of checking credit or may not ask for assistance with maneuvering through the credit remediation system.

Law Foundation Model for Addressing FYID Theft

Law Foundation collaborates with the Santa Clara County child welfare department to obtain credit reports for foster youth.

Law Foundation is able to communicate with the CRAs and remediate errors because of our court appointment to represent foster youth in Santa Clara County. Other agencies working on behalf of foster youth may not be as uniquely situated to have access the credit reports and the CRAs in this matter.

Getting Started: Nuts & Bolts of Remediation

Three methods of obtaining credit reports:

1. Request electronic “batch” business division reports from Local Child Welfare Agency if an option.
2. Submit a request online at annualcreditreport.com.
3. Submit a mail-in request.

Getting Started: Nuts & Bolts of Remediation

Obtaining credit reports can be difficult because:

- Online requests have limited success. If a non-minor uses annualcreditreport.com, the authentication questions can be very challenging.
- Mail-in requests may not be effective.
- Some child welfare agencies may not have systems currently in place to access CRA portal.

Credit Report Review

Review with youth credit reports from EACH of the three major CRAs: **Equifax**, **Experian** and **TransUnion**.

Business Division Reports or “batch” reports which are obtained through an electronic system by the county welfare agency. These credit reports look different than consumer disclosure reports (from mail-in requests) but have most of the information that is needed to provide advocacy.

Each report will look slightly different. Information laid out differently, but information is there.

Credit Report Review

If you obtain credit reports from local child welfare agency, there may be error messages on those reports that need to be interpreted on a case by case basis. Examples of such error messages are:

- “ID Mismatch Alert: Current input address does not match file address.” or
- “Information From Inquiry Identified As Potentially Fraudulent or Misused, Report Unavailable.”

If you have questions about interpreting a credit report, you should contact the CRAs directly for guidance.

Credit Report Review

Refer to the “Note Page For Review of Credit Report” and the sample credit reports.

In your line-by-line review, be sure to look for the following crucial elements, which can indicate identity theft and may give clues identifying the thief:

- Variations on the youth’s name;
- Date (particularly the year) of birth;
- Social Security Number;
- Year that the credit file was first created,
- Address history;
- Contact phone numbers;
- Employment history;
- Adverse accounts;
- Credit inquiries made by the consumer.

Clear Credit Report

If, after your careful review of the credit reports, you do not find any fraudulent accounts or inquiries, and all data is correct (name, date of birth, address, etc.), then provide the client with a “**Clear Packet**” found at pages 10-17 of your packet.

The Clear Packet should contain a letter explaining that the client’s credit reports are “clear” of errors or evidence of fraud **AT THIS POINT IN TIME**. However, ongoing credit monitoring is required. The letter provides instructions on how to:

- Obtain an updated batch report;
- Check credit online through annualcreditreport.com;
- Request credit reports by mail.

Clear Credit Report

The Clear Packet should also include:

- AnnualCreditReport.com instructions
- An Annual Credit Report (mail-in) Request Form
- A “**National Crime Prevention Council**” flyer
- A letter explaining the Equifax data security breach and how it may impact the client

At the end of your meeting, discuss and provide the client with a Clear Packet in addition to copies of their credit reports for their records.

Disputing Errors and Fraudulent Accounts With CRAs

After reviewing credit reports with your client, and you do find discrepancies or errors, the best practice is to contact each CRA and submit a dispute letter.

Need to provide CRAs with Court orders, POA, Consents before the CRAs will work with you.

If you do not submit required authorizations, all correspondence from CRA about the dispute will go directly to the client.

Disputing Errors and Fraudulent Accounts With CRAs

Minors: Any accounts created prior to client turning 18 will be automatically removed from the credit file.

No questions asked.

Disputing Errors and Fraudulent Accounts With CRAs

Non-Minors system involved youth: Look for accounts created prior to client turning 18. Those will be automatically removed from credit file. Note that accounts created after client turned 18 (that client is NOT responsible for), may require dispute advocacy directly with creditors in addition to dispute with CRAs. Submit dispute letter to CRAs with the following documents:

- Copy of the credit report;
- Proof of age (birth certificate);
- Proof of foster youth status (court appointment order or letter from county welfare agency, etc.);
- Proof of address, preferably an address verification letter obtained from the county welfare agency;
- Signed Authorization or POA;
- FTC Identity Theft Online Report (optional, but highly encouraged);
- Police report (optional).

Investigating and Disputing Fraudulent Accounts With Individual Creditors

If creditors or collection agencies are involved:

You will likely have to do additional advocacy with original creditors and collection agencies to clear credit reports.

Individual creditor contact information can be found on credit reports.

Fraud Alerts & Security Freezes

Per current Federal law, CRAs are required to place a security freeze on credits for foster youth upon request of youth's representative and to send written confirmation of the security freeze to the address on file within 10 days of the placement of the security freeze.

Under the “Economic Growth, Regulatory Relief, and Consumer Protection Act” effective September 2018, you can freeze and unfreeze your credit record for free at the three major CRAs.

- Note that CRAs continually are changing their websites, procedures, and contact information—so be flexible and prepared for changes.

Federal Trade Commission (FTC) Identity Theft Report

As appropriate, assist the youth in completing the FTC Identity Theft Report and submitting the FTC Identity Theft Report to the necessary agencies.

Make sure the youth keeps at least one copy of any completed FTC Identity Theft Report.

Federal Trade Commission (FTC) Identity Theft Report



FEDERAL TRADE COMMISSION

IdentityTheft.gov

FTC's Chatbot

Which statement best describes your situation?

Someone filed a federal tax return using my information.



Someone used my information to file for unemployment insurance.



I want to report another type of identity theft.



Someone has my information or tried to use it, and I'm worried about identity theft.



My information was exposed in a data breach.



Something else.



FTC Identity Theft link: <https://www.identitytheft.gov/>

Report to Law Enforcement

You may recommend that your client file a police report.

Discuss with the youth their willingness to report the identity theft to the police.

As appropriate, assist the youth in making a report to the police.

Report to Law Enforcement

If you do assist your client with filing a police report, be sure to obtain any police report number. Make sure the youth has it as well.

Ask client if they want a copy of the police report. (Note: there may be a fee for the report).

Understand some of the reasons why many youth are reluctant to file police reports:

- Fear of police generally; and
- Reluctance to implicate perpetrators who are family members or who may be looked to as some form of support in the future.

Additional Agencies Law Foundation May Work With to Repair Youth Credit

Internal Revenue Service – Identity Protection Specialized Unit

Consumer Financial Protection Bureau

- [Submit a complaint](#) to the CFPB if the issue is not being resolved

Social Security Administration

- Only rarely will SSA issue new SSN for victim
- For more information, see [“Your Social Security Number and Card” \(Publication Number 05-10002\)](#)

Advise Your Clients On How To Protect Themselves

Youth in foster care may need advice on the following:

- **Keeping and protecting important personal documents;**
- **Sharing personal information with only appropriate, trusted sources;**
- **Not carrying Social Security card** with them on a routine basis;
- **Saying “no” to people who want access** to their information inappropriately;
- **Be cautious when applying for credit** and/or loans online;
- **Monitoring their credit and financial information;** and
- **Responding appropriately and in a timely manner to information/requests**, including phone calls, mail, and e-mail, about suspicious financial and other activity associated with them.
- **Be aware of Equifax and any other financial services company data breaches.**
 - Find out if they have been impacted and how to get redress.

Advise Your Clients How To Protect Themselves

Provide client with a copy of the “**National Crime Prevention Council**” flyer in your packet.

Advise client that they will need to actively monitor their credit going forward. It is recommended that client checks credit reports every year:

- Contact child welfare agency, if available
- Request your credit report online at annualcreditreport.com; or
- Submit a mail-in credit report request to Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281
 - You will need to complete and submit the Annual Credit Report Request Form

Poor Credit Management vs. Identity Theft

If the youth has adverse accounts for which they are legitimately responsible (debts that are not the result of identity theft), consider counseling the youth about money management, the responsible use of credit, and/or make a referral to a credit-counseling resource.

Advise youth to speak with a credit counseling specialist at a later date.

Research local resources.

WHEN SHOULD YOU ADVISE YOUR CLIENTS TO CHECK THEIR CREDIT?

If your client are system-involved MINORS;

- Credit checks should be done for them automatically per the law!
- Hooray! You don't have to do anything!

Please encourage your minor clients to ask questions about their credit.

WHEN SHOULD YOU ADVISE YOUR CLIENTS TO CHECK THEIR CREDIT?

If your clients are adults:

ADVISE CLIENTS TO CHECK CREDIT ANY TIME YOU SEE YOUR CLIENTS!!!

FOR SYSTEM-INVOLVED ADULT CLIENTS, DO NOT WAIT UNTIL CLIENT EXITS THE SYSTEM TO CHECK CREDIT!!!

- Encourage clients to work with service providers/social workers to check credit yearly*

FOR NON-SYSTEM INVOLVED ADULT CLIENTS:

- Encourage them check credit regularly
- When youth fall of radar or disappear for several weeks/months, encourage them to finish the process of correcting credit reports.
- Get authorizations signed and gather required documents.
- Assist client with filing FTC online complaint and/or police reports.

Packet

Checklist (Page 1)

Sample Credit Report (Page 3)

Sample Dispute Letter (Page 4)

Clear Packet (Page 7)

National Crime Prevention Council Flyer (Page 15)

Thank you for attending!

Any questions?

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YOU**

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