



Child Identity Theft a Growing Problem

The Federal Trade Commission estimates that there are 500,000 new child identity theft victims every year. The culprits are often parents or others who have direct access to the child's Social Security number.

The fundamental issue with child identity theft rests on the fault of the system of credit and creditors lack of effort to identify and verify who is who. When a creditor receives an application for credit they often take the applications information at face value. Meaning they do not make any effort to cross reference the data to determine if there is possible fraud or that the Social Security number is that of a 2 year old.

When the application received by the creditor says the person associated with the Social Security number is 22 opposed to 2 years old, that information may be what ultimately establishes a credit report with the credit bureaus under the infants name and Social Security number, but with a different age. This is the beginning of a life filled with struggle to overcome child identity theft.

Child identity theft generally involves misuse of the child's Social Security number and sometimes combined with their birth certificate. In my own experience, I've had to give out my children's Social Security numbers to hospitals, insurers, and schools more than I can count. As a child I remember having to bring my birth certificate with me to the YMCA summer camp every year. Giving out my Social Security number was as common as peanut butter and jelly sandwiches. Today I have five birth certificates, because we always needed duplicates for school, camp, even field trips! This was before copy machines.

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The Identity Theft Resource Center does an excellent job of defining child identity theft; *“Child Identity Theft occurs when a child’s identity is used by another person for the imposter’s personal gain. The perpetrator may be a family member or someone known by the family. It could also be a stranger who purposely targets children because of the lengthy time between the theft of the information and the discovery of the crime.”*

The ITRC further defines what may not be identity theft:

“There are some cases that appear to be identity theft but are not. Receiving a pre-approved credit card offer in your child’s name might upset you as a parent. However, it might only be an innocent marketing tool sent by an affiliate of your bank because you opened a college fund for your child. (Please refer to [ITRC Fact Sheet 120B – A Guide for Parents – Child Identity Theft Indicators](#).) A quick check of credit reports will help you sort out the truth. Currently, all three reporting agencies are automated systems. You should contact them and request a credit report for your child. If you are told that there is no credit report, which is good news. The reality is that a credit report should not exist until that child’s first credit application as an adult.

There are two victim types. They are:

- *Adult/child victims: Adults who found out that their identity was stolen as a child*
- *Child victims: Children who have a relative who finds out about the crime”*

“The ITRC **has noted** that nearly 10 percent of its case load for the past six months involved child identity theft issues,” says founder Linda Foley. “It’s as if people have finally realized that a child’s Social Security number can be used for more than just opening a line of credit.”

Parental child identity theft is when irresponsible parents apply for credit in their children’s names due to existing financial hardships or greed. That’s when the soiling of their child’s credit often begins.

Jason Truxel was denied a mortgage because of bad credit. He had no idea that his credit scores were low, so he pulled his credit reports. He discovered a tremendous amount of debt, and accounts he had never opened. One such account showed that a credit card had been opened in his name when he was 13 years old. Jason found out the hard way that he was a victim of child identity theft. When Jason was a child, his father was convicted of credit card fraud.

Diamond Daye is 11 years old. He’s going through the same problem. Except his mother is the identity thief. She’s 31, and owes thousands in rent and cell phone and cable bills.

You may be saying, “Of course I would never steal my own child’s identity,” but sometimes the custodial parent discovers that his or her ex committed identity theft when notices from bill collectors begin to arrive.

If you ever determine that your child’s identity has been stolen, you should immediately file a report with a local police department. A police report is often the first step to have the unauthorized accounts removed from the child’s credit report.

Creditors often fail to verify the applicant's age and simply accept a credit application at face value. Children rarely discover that they are victims of identity theft until they are adults, when they are denied a student loan or even a job, if their potential employer runs a credit check and deems the applicant irresponsible based on poor credit history.

In a blog I guest contribute to called “[NextAdvisor](#)” they offer the following advice on child identity theft protection:

The following [post](#) in our Reader Question series is an actual user submitted question.

“Q: I found out that someone used my grandson's Social Security number to get phone service. How can I stop this? He's only 11 years old.

A: If someone has used or is using a child's Social Security number to secure a service, the child is a victim of identity theft. You should file a report with a local police department immediately. Having a police report will make it easier to have the fraudulent item or items removed from the child's credit report. You should also file a complaint with the [Federal Trade Commission](#).

You should also call the phone company to inform them that the service has been fraudulently obtained using a minor's Social Security number. If you are your grandson's legal guardian, you can request a copy of his credit report from all three credit bureaus, and ask that fraudulent items be removed and that his credit report be frozen until he turns 18. If you are not your grandson's legal guardian, one of his parents will need to make this request.

When a parent or legal guardian contacts a credit bureau on their child's behalf, they need to provide the child's complete name, address, and date of birth, and copies of the child's birth certificate and Social Security number. The parent or guardian must also provide a copy of their own driver's license or other government-issued proof of identity, including their current address, and a utility bill containing the current address.”

From the ITRC: **MOMENT OF DISCOVERY:**

“Parents or relatives of child/victims are usually the first to notice something is not quite right. Some of these cases involve split families (one of the parents is the perpetrator, and the crime is exposed by the other, unoffending parent). Discovery often comes:

- *When attempting to open a savings account or college fund for the child. In this scenario, an unoffending parent discovers that there is already an account with that SSN or that the new account is denied due to a bad check record*
- *When numerous credit cards, checks, pre-approved credit card offers, bills or bank statements are received in the name of the child*
- *When collection agencies call or send letters about accounts not opened by the child*
- *When a teen is denied the right to get a driver's license because another person has a license with that SSN as ID. The imposter may even have accumulated tickets or citations in the child's name*
- *While going through papers during a divorce or while straightening up the house (Parental identity theft)*
- *When law enforcement comes to the door with a warrant for an arrest of the child”*

Some would say, “Protect your child’s Social Security number,” which is okay advice, but not practical and not really possible.

The school of thought is to not give out the child’s Social Security number if you don’t have to. That is also not practical.

In order to function in a society that relies on the Social Security number as a primary identifier from birth, it is essential that a parent must give it out far more times than they are comfortable doing so.

Advice dispensed in regards to fraud alerts and checking your child’s credit differs from camp to camp. A child under the age of 18 is not supposed to have a credit report. When initiating a fraud alert or requesting a credit report ends up in a rejection because there isn’t a credit report to put a fraud alert on, this is generally a good result. The parent can consider that most likely their child’s identity has not been stolen.

However, many feel that continually requesting a fraud alert or credit reports may unintentionally establish credit under the child’s name and now they have a credit report. This means they are just as likely to become a victim of identity theft as any adult would.

My position on this is if they are to have a credit report at a young age then they are also entitled to the same protections as an adult would be. This means they should be able to get legitimate credit freezes or fraud alerts.

Currently the best solution is to invest in identity theft protection that monitors your child’s identity. A service that has a relationship with the credit bureaus that continually pings the bureau and checking to see if credit has been established is far better than blindly hoping the child identity hasn’t been stolen.

*Robert Siciliano, president of IDTheftSecurity.com, is an identity theft and personal security expert with over 20 years of security training in everything from white-collar crimes to martial arts. He is the author of *The Safety Minute: 01*, provides consumer education solutions to Fortune 500 companies and their clients, and has appeared on numerous national television programs. See him discussing *Child Identity Theft on the Mike and Juliet Show* [HERE](#).*