

Children are appealing targets for ID theft; parents can guard them

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Identity thieves know no boundaries.

They even go after one of the most vulnerable groups: children. "Children are not in any condition to protect themselves," said Adam Levin, chairman and co-founder of Identity Theft 911, which provides identity-theft products and helps victims of the crime. "It's up to their parents."

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Children are especially enticing targets for identity-theft crooks because it can take years before the crime is discovered.

"Children, while it doesn't occur often, are probably the most vulnerable just because if someone steals my child's identity, they can use that for 10 to 15 years before they [the child] apply for a loan and they find that their credit is really not good," said Thomas Harkins, chief strategy officer for Secure Identity Systems in Nashville.

Statistics on child identity theft are hard to pin down.

"We don't ask for age in our identity-theft surveys," said Claudia Bourne Farrell, spokeswoman for the Federal Trade Commission. "Our self-reported, anecdotal data indicates that about 5 percent of the complaints last year were for people 18 and under."

The number of child identity thefts reported may be lower than the actual number because "many people find out after they're over the age of 18 that they were victims of identity theft when they were under 18," Mr. Levin said.

"The conventional wisdom is that it's about 500,000 people a year who are children who become victims of identity theft," he said.

The most common way child identity theft occurs is when the child's Social Security number is used to establish new lines of credit.

"What most people do not understand is that credit issuers may not have a way to verify the age of the applicant," said Linda Foley, co-executive director of the Identity Theft Resource Center in San Diego. "The information on the application is typically taken at face value. This is particularly true with telephone and Internet applications."

One clue that may indicate your child is a victim of identity theft is if he or she has a credit report. Young children typically don't have a credit report because they don't have credit.

"A child should not have a report unless someone has started to apply for credit using that child's Social Security number," Ms. Foley said.

There are exceptions, of course. Some parents may add their teenager to their credit card as an authorized user or a joint account holder, which would generate a legitimate credit report for that teen.

But in general, no news is good news.

"If you ask for a report for a child and there's no report, that's the best result because if there is no credit history, there won't be a fraudulent account opened," said Rod Griffin, manager of consumer education at Experian, one of the three major credit bureaus. "It's highly unlikely that the lender will open an account if there is no credit history."

Experian flags credit reports that belong to minors, he said.

"If we get a request for a credit report that has a birth date that belongs to a minor, we will not provide a credit report," Mr. Griffin said, adding that Experian informs the lender of the discovery.

Watch out for these signs that may indicate your child is a victim of identity theft:

- Your child gets credit-card applications, bills or bank statements in the mail. It may indicate that someone has started a credit history in your child's name, though Ms. Foley said there could be a legitimate explanation.

"Receiving a preapproved credit card offer in your child's name might upset you as a parent," she said. "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."

In that case, you should check your child's credit report.

"If you are told that there is no credit report, this is probably not a case of financial identity theft," Ms. Foley said.

When opening a bank account for your child, ask the bank to remove your child's name from marketing lists.

- Debt collectors call or send letters about accounts not opened by the child.
- When attempting to open a savings account or college fund for your child, you discover there's already an account with that Social Security number or that the new account is denied because of a bad check record.
- When your teenager is denied a driver's license because another person has a license with his or her Social Security number as identification.

If you suspect your child has been the victim of identity theft, report it to the three national credit bureaus – Experian, TransUnion and Equifax. Also, find out whether there are credit reports in your child's name and Social Security number.

If your child does have a credit report, ask to have all accounts, application inquiries and collection notices removed immediately from the report. You do this by contacting the credit issuer and through a dispute process with the credit bureaus.

Tell the credit issuer that the account is in the name of your minor child, who by law isn't permitted to enter into a contract. In the end, it's up to the issuer whether to accept a claim of fraud.

The bottom line is that children are easy targets for identity thieves, and it's crucial that parents guard their financial reputation.

You don't want your children to apply for their first jobs or loans and discover that their names have been tarnished before they even have a chance to start life on their own.

WHAT TO DO

If you suspect fraudulent use of your child's identity, contact the three national credit bureaus. Here's how

- TransUnion: Go to its [Web site](#), which gives you information on its Fraud Victim Assistance Department.
- Experian: Go to its [Web site](#), or call toll-free 1-800-311 4769 and select the option for fraud victims.
- Equifax: Write to Equifax Minor Child Department, P.O. Box 105139, Atlanta, Georgia 30348

WAYS TO SAFEGUARD YOUR CHILD'S IDENTITY

- Protect your child's Social Security number. If it is requested, ask why it's needed, what procedures exist for protecting that information and whether there's an alternative number that can be used for identification.

- Teach your child not to give out personal information over the phone or Internet, and don't give out any of your or your child's information on the Internet unless you are absolutely sure you are dealing with a legitimate company. When in doubt, don't.

- Don't carry your or your child's Social Security number in your wallet. If necessary, make a photocopy of the card, cut off the last four digits of the number and carry that photocopy with you. Carry original cards only on days you know you will need them.

- Learn about credit reports and children. Be wary of online services that claim to check a child's credit reports regularly because there won't be any reports to check unless fraud has been committed. "No minor should have a credit report," said Steven Katz, director of consumer education at TransUnion, one of the three national credit bureaus.

SOURCE: Identity Theft Resource Center