



# HOW CHILD IDENTITY THEFT HAPPENS.

Facts you should know about identity theft.

## What is identity theft?

Identity theft is the act of using someone's personal information—such as an account number, driver's license, health insurance card or social security number—and using the assumed identity to commit fraud or theft.

Identity theft is the single fastest-growing crime in the nation—a \$50-billion-a-year industry that continues to expand its reach. According to a recent Federal Trade Commission survey, 30 million Americans—or 13.5% of all U.S. adults—fell victim to identity fraud in 2006.\* Another FTC report states that 91% of adults surveyed fear that their identities could be stolen.\*\*

### A growing problem with significant impact

- The Federal Trade Commission estimates that as many as 9 million Americans have their identities stolen each year.\*\*\* In fact, you or someone you know may have experienced some sort of identity theft. The crime takes many forms. Identity thieves may rent an apartment, obtain a credit card or establish a telephone account in your name. You may not find out about the theft until you review your credit report or a credit card statement and notice charges you didn't make—or until a debt collector contacts you.
- Identity theft is serious. While some identity theft victims can resolve their problems quickly, others spend thousands of dollars and many months repairing damage to their good names and credit records. Some consumers victimized by identity theft may lose out on job opportunities or be denied loans for education, housing or vehicles because of negative information on their credit reports. In rare cases, they may even be arrested for crimes they did not commit.

\* Federal Trade Commission Customer Fraud Survey, 2007.

\*\* Prepared Statement of the Federal Trade Commission before the Maryland Task Force to Study Identity Theft, 2007.

\*\*\* Federal Trade Commission Identity Theft Site, 2007.

## How it happens

Identity thieves have become increasingly savvy at gaining access to people's personal information. Here are some sources thieves employ:

- Hacking into a bank's, credit union's or credit card company's database.\*
- Bank statements—even from your kids' school bank program.
- Credit card statements.
- Restaurants and bars where your credit and debit cards are used.
- Department stores.
- ATM machines.
- Thieves may go into people's garbage for junk mail, bank statements or other material that may contain personal information.
- County Recorder's office where your house deed is registered and recorded.
- County Municipal Hall where you file and get official marriage, birth and death certificates. These certificates have your entire family's address, SSN, DOB, DOD, telephone number and other personal details.
- Car dealerships where you bought your present and past cars. They usually attach your latest credit report and score to your purchase document.
- Social Security Administration and Veterans Administration, its affiliates and hospitals. They not only have information on military personnel but also on the families and beneficiaries of the veterans.
- Previous employers: They have your SSN, your past name (a.k.a. maiden name) and present name, past and present addresses, your old W-2s, 401(k) and beneficiary forms, etc. Keep in mind that the human resource departments of companies where you've applied for employment also have your information on file.
- Frequent-flier clubs, grocery store clubs, library cards and sports associations.
- Payday check-cashing outlets.

\* Javelin Study, 2006.



## WHAT IS CHILD IDENTITY THEFT?

Children comprise the fastest-growing segment of identity theft victims. For young victims, who may account for up to 500,000 cases annually, the damage can be even more devastating.

### Why identity thieves target kids

Identity thieves target young victims for two primary reasons:

1. Children have clean credit records, making it easy for the criminal to create new accounts.
2. Because most parents don't check to see if their children have credit records, the crime can go undetected for years. Many cases of child identity theft aren't discovered until the youngster applies for a driver's license or first job.

Once an identity thief has his or her hands on a child's personal information, there's no end to the damage that can be done. Making matters worse, companies that issue credit are typically lax when it comes to background checks and verifying information before issuing new accounts. This makes the child identity thief's job all the easier.

### How identity thieves obtain a child's personal information

Most children are now issued social security numbers early in life, often at birth. There are a number of places children's personal information, including social security numbers, may be vulnerable, including:

- Hospital records and physicians' offices
- School records
- Day care centers
- Library cards
- Sports team applications
- Online social networks, in which thieves coax information from teens
- Immunization records

Other personal information identity thieves routinely use are birth records or preapproved credit card offers, which are sometimes mistakenly sent to minors and then discarded.

## The damage to youngsters

Child identity theft typically involves the creation of new accounts, which enables thieves to exploit the pristine state of young victims' credit histories. According to the Federal Trade Commission, new account fraud causes considerably more harm to victims in both out-of-pocket expense and the time it takes to repair the damage.\*

### Consequences of child identity theft

- Difficulty getting accepted into college
- Difficulty opening a savings account
- Difficulty applying for a driver's license
- Inability to secure a job
- Getting collection notices in the child's name
- Lost and damaged credit
- Having arrest warrants in your child's name

As you can see, the adverse effects of child identity theft can be quite severe and can follow the victim for years.



\* Prepared Statement of the Federal Trade Commission before the Maryland Task Force to Study Identity Theft, 2007.



## Could you or someone in your family already be a victim of identity theft?

One of the most frightening aspects of identity theft is that victims and their families have little way of knowing the crime is taking place. This is because most people rarely keep tabs on their credit reports or check to see if their children have credit files.

For children and teens, this lack of awareness can be even more destructive. Since most parents and guardians don't consider the possibility that their children could have credit files, the crime and resulting damage can go on for years.

In short, if you aren't routinely checking your credit report or your children's names for the presence of a credit file, you could already be a victim and not even know it. That is why it is vital to take immediate action to ensure your family is safe.

## What to do if you suspect your child is a victim

If your child is the victim of identity theft, the following steps are recommended:

1. If you suspect that your child's information has been used fraudulently, you should contact law enforcement immediately to file a police report.
2. Work with a reputable company to help you remove fraudulent activity from your child's account. There is critical paperwork to complete that can often be complicated.
3. Monitor your child's credit report from each of the credit bureaus. Make sure to notify the credit bureau that the report is associated with a minor who does not have a credit history. When contacting one of the three major credit bureaus, make sure you supply your child's name, social security number and other requested information. If the phone system gives you a response of "no file found" or "information does not match," this is good news. You should follow up by writing to the credit bureaus and reporting the suspected identity theft. Make sure to ask them to confirm in writing that they have no file on your child.

## INTRODUCING FAMILY SECURE<sup>SM</sup> BY EXPERIAN<sup>®</sup>

**With as many as 9 million consumers victimized by identity theft per year—including up to 500,000 children—the need for powerful identity theft protection has never been greater.\***

**Now Experian, one of the nation's three major credit bureaus, brings you Family Secure<sup>SM</sup>.**

**Family Secure combines comprehensive identity theft monitoring, e-mail alerts, dedicated fraud resolution support and a \$2 Million Guarantee to help keep your family safe.\*\***

### Here's how Family Secure helps protect you and your family against identity theft:

- Monitors your children's personal information, alerting you if someone applies for credit or opens an account in any of their names
- Monitors your Experian Credit Report, alerting you to any key changes
- Add all of your children at no additional cost
- Toll-free access to Fraud Resolution Representatives if suspicious activity or signs of identity theft are detected
- Provides unlimited Experian Credit Reports and Scores to help you stay on top of your credit and protect your identity

### Ways to help protect your family

There are several preventive measures to help reduce your chances of becoming an identity theft victim.

- Do not provide your social security number or your child's social security number unless necessary by law, such as for employment, tax forms or bank records. Schools, day care centers, little league sports associations and the like may ask for your child's social security number. This doesn't mean you have to supply it.
- Do not have your driver's license number printed on your checks.
- Do not carry your or your child's social security card in your wallet.
- Do not make your PINs or passwords obvious or easy to guess, and never carry them in your wallet.
- Shred all sensitive information before throwing it in the trash. This includes bank statements, credit card receipts, phone and utility bills, and preapproved credit card offers.

\* Federal Trade Commission Identity Theft Site, 2007.

\*\* The Family Secure Guarantee is not offered, applicable or available to residents of the state of New York.

## (Ways to help protect your family, continued...)

- Monitor your credit report. This one is the most important. No matter how vigilant you are about protecting your personal information, identity thieves are resourceful, and there can be security breaches that are out of your control.
- Teach or tell your children not to share or give out their social security numbers or personal information without your permission and never to respond to any online or e-mail offers.

Credit monitoring has proven to be one of the effective means to help protect yourself and your family against this crime.

## Take a closer look at the tools Family Secure uses to protect you and your family.

### Credit Monitoring

Help protect your identity and stay on top of your credit with unlimited Experian Credit Reports. Family Secure also monitors your children's personal information to protect them against identity theft.

### Monitoring Your Experian Credit Report

Your credit report is an accumulation of detailed information on your credit history—this includes your identifying information, credit accounts and loans, payment practices and recent inquiries.

To help protect you against identity theft, Family Secure actively monitors your Experian Credit Report, sending you e-mail alerts with any key changes to your credit report. You'll also be able to access your Experian Credit Report and Credit Score at any time to review entries.

### Monitoring Your Children's Personal Information

Once you enroll in Family Secure, we'll check your children's personal information to see if they have credit files. (Some minors do have credit files—if their parents wish to include them or have them as cosigners on a credit card, for instance.)

We then regularly monitor your children's personal information, checking for signs of suspicious activity, such as someone applying for credit or opening accounts in their names.

If activity is detected, you'll receive an e-mail alert prompting you to take immediate action by contacting one of our Fraud Resolution Representatives. Once contacted, our Fraud Resolution Representatives will go into action to help clear your child's name.



## Fraud Resolution Support

Our powerful credit monitoring is in place to help you stay on top of changes to your credit report and alert you to any suspicious activity involving your children's personal information.

If key changes or signs of identity theft are detected, you will receive an alert directing you to contact one of our Fraud Resolution Representatives. Our Fraud Resolution Representatives are an invaluable resource and are available to you toll-free.

These dedicated professionals will act as your personal advocates, contacting creditors on your behalf to clear your accounts of fraud and restore your good name. In the case of child identity theft, they will contact all involved parties, stopping the theft cold and working to ensure your child suffers no lasting effects from the crime.



### \$2 MILLION FAMILY SECURE GUARANTEE

**Identity theft is never easy to deal with.**

**If your identity, or your children's, are stolen after you become a member of Family Secure, we will reimburse you for certain expenses and damages you incur as a result of the theft—up to \$2,000,000.**

**Family Secure offers a \$2 Million Guarantee; that's how confident we are that our product will help protect your family and stop identity theft cold.**

The Family Secure Guarantee is not offered, applicable or available to residents of the state of New York.

# SAFEGUARD YOUR FAMILY'S FUTURE.

**ENROLL NOW!**



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by Experian<sup>™</sup>