



Protecting Texas Foster Youth from Identity Theft via the federal Fair Credit Reporting Act

Problem: Anecdotal evidence suggests that credit problems associated with identity theft are a major problem for some youth who age out of foster care. Foster children may be disproportionately victimized by identity theft because their personal information passes through many hands, increasing the chances that someone will open an account in their name or use their Social Security number. In addition, there have been cases in which youth have voluntarily permitted family members or friends to obtain credit or services in their name based on the incorrect assumption that the family member or friend would pay the bills in a timely fashion, and/or because they just do not understand the consequences of damaging their credit score.

Recommendation: Require DFPS to ensure that youth who will age out of foster care receive assistance in obtaining, reading, and understanding the free credit reports that they are entitled to annually under the federal Fair Credit Reporting Act. Require that the reports be obtained on or before the youth's 16th birthday, and annually thereafter, so that a plan can be made to resolve any inaccuracies or cases of identity theft at the youth's Circle of Support.

Notes:

- The recommendation is worded in such a way that DFPS could incorporate this activity into PAL and put the responsibility on contractors instead of its own staff.
- Although identity theft does not affect most youth, assistance with obtaining free credit reports would be a great experiential learning opportunity for all youth.
- DFPS recognizes that identity theft is a problem for foster youth and the agency has partnered with CS Identity, a firm doing pro-bono work to monitor the use of youths' social security numbers and resolve any issues of theft. This proposal would complement that effort because it would take an additional step and teach youth how to protect themselves from identity theft.
- H.R. 6193 is a federal bill that was introduced by U.S. Representatives Pete Stark and Jim Langevin on September 23, 2010. The bill would require all states to obtain credit reports for the youth in their care each year and share those reports with the child and the attorney and guardian ad-litem for the child. It would go farther than what we are proposing by also requiring state child welfare agencies to assist the child in resolving any inaccuracies in the report. In addition, the bill would end the use of a child's SSN as an identifier to help prevent identity theft.

This proposal was prepared by Texas Network of Youth Services (TNOYS) and has been endorsed by the Texas Child Protection Roundtable, which is led by TexProtects. For more information, contact Christine Gendron at (281) 450-8957 or cgendron@tnoys.org.