

ID Theft – A Growing Risk (Part I of a 2-Part Series)
A Hidden Threat to Children

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I can take most any slight with a shrug, but if you do anything to my grandkids, you can expect the wrath of one angry Nana (with a lo-o-o-ong memory). I bet you feel the same! But what would you do if a criminal stole your child's identity and ruined his credit?

This two-part series covers a new identity threat to those as young as a few months. We'll also discuss what you should do to protect them *and* yourselves as much as possible. Just as with home security, there is no magic bullet but you can take steps to burglar-proof your identity. In this two-part series, "ID", "SSN", "number", and "social security number" all refer to the same thing.

So, does your toddler have a bankruptcy on her record? Don't be too quick to answer that. Most people don't realize it, but one out of 10 kids under the age of 18 has had their identity stolen, more than 140,000 annually. In fact, there are hundreds of underground criminal sites selling children's ID's at rates from \$1.50 to \$80.00 each. In other words, if your child is in a pre-school class of 30, three of those children (including your own) have probably had their identity compromised.

According to Richard Power with Carnegie Mellon's CyLab, as adults become aware of their own ID risks, they are more careful, which, ironically, leads thieves to look increasingly at less-monitored children's information. Social security numbers of youngsters are highly prized among ID thieves for many reasons, including:

- These are pristine, clean numbers that have a unique value to crooks, particularly illegal immigrants, because there is no financial record or transaction yet associated with that SSN.
- The Social Security Association ("SSA") cannot, by law, share names and birthdates of people connected with a social security number. The result is that anyone trying to verify an applicant's identity is more likely to assume that the person presenting the number is the rightful owner.
- Thieves may go undetected until the child begins to establish credit – often many years later.
- In 1987, the SSA began encouraging parents to apply for their newborn's SSN at birth in an attempt to thwart ID theft. This program had the opposite effect because hundreds of millions of SSNs were assigned to children in a predictable pattern based upon geography and date. This made it easier for thieves to determine a child's ID number while this policy was in effect. The system's fault was discovered years ago but not corrected until 6/25/11. Because the SSA does not reissue social security numbers, children born between 1990 and 6/25/11 will remain highly vulnerable to ID theft.

So how vulnerable are our children? In 2009 and 2010, Carnegie Mellon's CyLab performed the largest study ever on child ID theft (you can [download](#) the report online). Researchers ran identity protection scans on a database of over 800,000 identity records and found 42,232 children age 18 and under in this group. Children and adults known to be affected by prior identity breaches were excluded from the study. Of those studied, they found that:

- Fraudulent use of a SSN occurred 633 times (or .2%) for the adults in the study, but

- The rate of contaminated files for minors (18 and younger) was 10.2% (4,311) or 51 TIMES THE RATE of adults. (Contaminated files include honest mistakes in reporting and are included in the results because assigning a number to the wrong person has the same effect. The child is unable to utilize his social security number so it's counted the same as a theft.)

Of course, even one child-victim of ID theft is too many, but this rate of compromise was astonishing. To make matters worse, the results were tabulated by SSN but one SSN can be used by many people committing ID theft. For example, researchers found that 12 people living in U.S. border states shared the same social security number of a 17-year-old victim, racking up over \$58,000 in bad debt. Like gophers in the desert, a new SSN theft pops up as soon as the prior one is attended to. One thief can also use a single social security number for multiple crimes, resulting in a very fine mess.

What would you do if you found that your 6-year-old had a driver's license and a car registered in his or her name? Before you can answer, "I don't know" consider another twist: What if you know the thief? What if the thief is your parent? Believe it or not, relatives are often the culprit. Perhaps a family member needs a clean credit history to open a utility account or buy a car. Many people simply supply a related child's SSN because it is "harmless." While they may not mean to harm the child's future, this is, in fact, identity theft and raises some difficult issues for the child reaching adulthood. Can you imagine what it would be like to have your Mom arrested and prosecuted?

We need to know how to be prepared to combat this dangerous trend. There is no easy answer, but next month we'll look at the various ways that social security numbers can become vulnerable, and what you can do about it.

Be sure to check out the online version of this article for live links to additional data.