

How To Protect Your Child From Identity Theft

Identity theft has been a constantly rising threat that has most likely affected you or, at least, someone you know. I've been the victim of identity theft twice in my life. Although, both times were little issues compared to some of the horror stories I've read; it still was a pain in the butt and I never want to go through it again.

The increasing threat is not just to your own identity, but also to your child. Your child may be the last person in the world you would think would lose their identity to a criminal, but it is becoming more common for a child's identity to be stolen. Desperate individuals are looking for targets to profit from with criminal activity and an innocent child can be the perfect victim.

How Schemes Work Against Children

The main reason identity theft among children is so popular and successful is because the perpetrator can get away with the scam for years before there is any reason to suspect criminal activity. When a child is born, parents will apply for a Social Security number for tax purposes and other documentation but for the most part, the card is filed away and no one thinks about the credit history or fraud. When a child is of age to get a job, it may be the first time someone recognizes something is not right.

In many cases, a child's Social Security number is being used by a criminal who is trying to mask their own identity. Because a stolen number from a child is not likely to be tracked for years, the victim can be facing a huge task ahead to straighten out their credit history. There could be mounds of debts and black marks on a credit report before a child is even old enough to get a credit card or other financing.



Sadly, the other main perpetrator against a child's identity is often their own parents. People who are facing serious financial issues will use a child's identity in order to secure loans and services they otherwise would not be permitted to use due to bad credit. Parents using their child's identity will often seriously damage their child's credit due to their own poor money management.

In researching this article, I encountered several instances where a parent had ruined their child's



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lives by using their social security number to run up thousands and thousands of credit card debt. In one instance, the daughter didn't even know until you graduated high school and applied to her first job. Ouch! Needless to say, that mom didn't get "Mother of The Year". What she actually got was a prison sentence.

How To Protect Your Child From Fraud

There are several things you can do to protect your child proactively against identity theft and several things you can do to help a child victimized by a criminal. Unfortunately, cutting through all of the red tape of repair fraudulent credit use is difficult and very time consuming. It is essential you remain proactive as a parent to avoid identity theft from occurring.

Protected Information

Your child's Social Security number may be required on documentation including your income tax returns, doctor's paperwork, school paperwork, and for various other reasons. This means many people may have access to the information. In most cases, the professionals will protect such vital data, but if you get copies of the documents you don't need, make sure you don't just toss them in the trash without properly shredding the paperwork. Keep your child's Social Security card and other personal information filed in a safe place until they are old enough to take responsibility for their information.

I've met with several clients that when I asked for the kid's social security number they'll pull the child's Social Security card out of their purse or wallet or some piece of paper with the info jotted down on it. Don't do this! What happens if you lose your wallet? Talk about a double whammy.

Another mistake I see parents making is sharing birthdays on social media sites such as Facebook, MySpace or Twitter. Announcing to your friends – and essentially to the world – that today is your child's birthday is one thing; but also saying that they turn 5 today and it's not too hard to figure out what their DOB is. Even a stupid criminal can figure that one out without a calculator. At least, one would hope. :)

Be on the lookout: If your child receives unsolicited credit card offers then there's a good chance that your kids identity may have been compromised.

Who?
What?
Where?
When?
Why?
How?



Credit Monitoring

There are credit monitoring services that can provide instant alerts if your child's information is being used by another party. These services do typically cost a monthly fee. Parents can do the same kind of job on their own at no cost by ordering an annual credit report for their child from the three major credit reporting agencies Experian, Equifax, and TransUnion. If there are no reports to generate, there is nothing fraudulent to worry about.

Remember, like you, your child is allowed one free credit report per year. Go to www.annualcreditreport.com at least one time per year to make sure that everything is good to go.

Fraud Follow Up

If you find your child's identity has been used by someone else, it is important to follow through with the proper procedures in a timely manner. Parents need to report the fraud to the credit bureaus as well as the local police department. Have an official police report filed as proof of the fraud.

Each of the major credit reporting bureaus have different protocol for reporting fraudulent activity. Experian requires parents to provide a police report with a victim statement, which will be attached to the child's credit file and a stipulation that the credit information belongs to a minor. This will warn creditors not to approve credit applications or requests until the child turns age 18. Equifax will delete fraudulent information from the child's report. They will also take the information offline and note the Social Security number belongs to a minor. This will prevent information being used until the child turns age 18. TransUnion will hide the credit file of the victim from other creditors completely until the child turns 18. **TQR**

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You can tell the bureaus not to approve credit applications.

