

>> Maneesha Mithal: Welcome to the FTC and to our joint event with the The Office for Victims of Crime at the Department of Justice on child identity theft. I'm pleased to see so many people in the audience. I'm sure we have a lot of people watching via Web, as well, so I give a warm welcome to all of you. And this is going to be a great event. We have some of the best and brightest minds here to talk about child identity theft and to discuss some solutions to the problems. My name is Maneesha Mithal. I'm the Associate Director of the Division of Privacy and Identity Protection here at the FTC, and I have the privilege of doing the bathroom and security announcement before we start off. So, just a couple of reminders -- if you leave the building, you're gonna have to go through the security again to get back in, but make sure you take your badge with you so that you don't have to re-register at the security desk. Bathrooms are out the front door, past the security desk. You make a left at the elevator bank, and you again won't have to show your security -- your badge again to get in. The water fountains are there, too. It's a very hot day today, so keep hydrated. So, you'll find some water fountains there. For those of you watching on the Web, if you have questions, you can submit them to our Website, childidtheft@ftc.gov. And we are also -- In this digital age, we are also having a Twitter discussion. So, if you'd like to participate in that discussion, you can use the hashtag #childidt. So, with that, let me just turn the formal program over to the Director of the Bureau of Consumer Protection, David Vladeck. So, David, if you could come up onstage. [Applause]

>> David Vladeck: Thank you, Maneesha. Unlike Maneesha, I'm not gonna give anyone a warm welcome this morning. [Laughter] But it is my pleasure to welcome everyone here. This is an important event. I'm glad we were able to attract so many experts from federal and state agencies, legal-services advocates, nonprofit organizations, and private industry. We all understand that children are our future. For some children, for too many children, their future has been stolen as a result of identity theft. Consider the following scenarios -- a 7-year-old's parents have died in an accident, and the child ends up going from foster home to foster home. One of the foster parents gets access to the child's Social Security number and enters several accounts in her name. Or consider this -- a hacker steals hundreds of Social Security numbers and dates of birth stored in an elementary school's database. He then opens new accounts using the students' name. Or this scenario -- a destitute relative comes to live with a family and steals the Social Security numbers and dates of birth of the kids in the household. He then uses those numbers to open several

accounts. These cases, for anyone who is familiar with this field, seem common enough. In each one, the identity theft may go undetected for years. Only after a child becomes an adult and gets rejected for a car loan or student loan is the crime exposed. Then of course comes the difficult task of trying to undo years of damage. Today we will explore potential ways forward to address the theft of children's identity. There are two basic questions. First, how can we stem the rising tide of children's identity theft? Most fundamentally, how can we better ensure that those entrusted with children's data -- such as Social Security numbers, so forth -- including schools and social-welfare agencies, take reasonable measures to safeguard that data. The second question is, "What can we do when prevention fails and children are the victims of I.D. theft? What should parents do if they discover their child's identity has been stolen? What should young adults do when they find out that they were victims of identity theft when they were children?" We need better tools to help those children, whose identity was stolen from them, to restore their lives. These are important questions, and we're fortunate enough to have the best and the brightest minds here today to work together to forge answers to them. For our part, the Federal Trade Commission works hard to provide consumers with the knowledge and tools to protect themselves from identity theft and to deal with its consequences. Each week the Commission receives 15,000 to 20,000 contacts, through either its toll-free hotline or dedicated Website, from individuals, most of whom have been the victims of identity theft. Callers receive one-on-one counseling from trained personnel on steps they can take to prevent or recover from the crime. The Commission also distributes a wide variety of consumer educational materials to help consumers deter, detect, and defend against identity theft. For example, the Commission publishes a victim recovery guide, "Taking Charge: Fighting Back Against Identity Theft," that explains the immediate steps identity victims should take, how to obtain a credit report and correct fraudulent information in credit reports, how to file a police report, and how to protect personal information, shielding oneself from identity theft. Most recently, we've written a comprehensive pro bono guide to work with partners to establish pro bono legal clinics to advise identity-theft victims on how to address the crime, using this pro bono guide. We want to enlist lawyers across the country to assist, free of charge, I.D.-theft victims, and we've now given them the tools to do just that. Much of our work on I.D. theft applies just as much to child I.D. theft as it does to adult I.D. theft. But not all of the tools that we can use to protect adults -- such as credit freezes -- apply to kids. We need to enlarge our tool kit to better protect our children. So, thank you, and especially our panelists for taking time out of your busy schedule

today to address child identity theft. No doubt countless children will have better and more secure futures as a result of your work. And now it's my pleasure to introduce one of our key partners, Mary Lou Leary, Principal Deputy Assistant Attorney General, Office of Justice Programs, of the United States Department of Justice. Mary Lou. [Applause]

>> Mary Lou Leary: Thank you, David. I'm very pleased to be here, and I want to echo David and Maneesha's welcome to all of you for participating in today's forum, those of you who are here and those of you who are watching from the air-conditioned comfort of your offices. I'm sure there are plenty out there who went outside this morning and thought, "Mm, I think I'll do this on the Web." [Laughter] I know that we have some of the best minds in the field here today, so I'm really looking forward to a vibrant discussion of these issues. Child identity theft is an issue that we're really just beginning to understand and, in fact, maybe even just beginning to become fully aware of. We know a lot about identity theft generally over the last few years, but we're really only starting to see the prevalence and the impact of identity theft on children in the United States, the tremendous damage that that can do. Our friends here at FTC tell us that, in 2006, there were more than 10,000 identity-theft complaints filed involving victims who were under the age of 18. And those were the ones of complaints that were filed. Imagine -- These are kids. Imagine how many were never even filed. That's up from 6,500 cases in 2003. This is a growing problem. One of those studies found that 5% of American children had a credit report already with their Social Security number, and the average debt was \$12,000. In many cases, these victims don't even know what credit and debit mean, and in some cases they are not even old enough to say those words out loud. The Attorney General of the Department of Justice has placed a high priority on protecting Americans from the kind of fraud that results from identity theft. And he's particularly concerned about this crime as it impacts children. These are victims who cannot even stand up for themselves in most cases. They don't have a voice. They need us to ensure their safety and their well-being. My agency, the Office of Justice Programs, plays a central role in improving the response to these crimes. We have sponsored media campaigns, research projects, technology evaluations, and training to help law enforcement officers and children's advocates and so many others respond to identity theft and help those victims recover. At the Office of Justice Programs, we have an identity-theft working group, and that group's been working closely with the FTC over the last year and a half to shine a brighter light on this issue of child identity theft. Many of our working group

members are here today, and I'd ask them to just stand for a moment so you can look around and see who they are and talk to them about the work that we've been doing. Laura, did you stand?

>> Laura Ivkovich: Yeah. [Laughter]

>> Mary Lou Leary: This is Laura Ivkovich from the Office of Victims of Crime and who's really the driving force behind the identity-theft working group. You know, people say Merrill Lynch is bullish on America? Laura Ivkovich is bullish on identity theft, let me tell you. I also want to thank -- [Laughter] I want to thank Joye Frost, who directs our Office for Victims of Crimes -- Joye. She's been a huge supporter of our work, and she directed her office's resources to co-sponsoring this event today. Speaking of resources, we have a number of terrific resource, along with FTC resource, on the tables outside, and include a literature review and also a really innovative and, in fact, award-winning online training that OVC developed to improve the response of victim service providers to identity-theft victims. So, take a look at that table and fill up your bag with some samples of the great resources we have out there. So, today we're just beginning a very important dialogue that is a subject that's of real concern to everybody in this room. I'm very happy that the Department of Justice could help kind of jump-start this conversation. And I'm glad we have so many of you who are knowledgeable and willing to devote your time to discuss this today. I really believe that this is just the beginning and, by brainstorming together, we will be able to find some workable solutions to child identity theft that are grounded in research and in effective practices. So, I look forward to the discussion today, and I really look forward to working with all of you as we move forward in the future on this issue. Thank you very much. [Applause]

>> Laura Ivkovich: Thank you, David and Mary Lou, Maneesha. My name is Laura Ivkovich, as was noted, and I have the privilege of working at the Office for Victims of Crime in the Office of Justice Programs at DOJ. And this morning we want to offer an overview of the issues that affect child victims of identity theft and their families -- really, the scope, the impact, and implications for victim services and child-serving professionals, as well as identity-theft prevention advocates and those interested in the issue altogether. So, as I introduce our fabulous panel, you'll see that we plan to present this -- from a perspective of, one, the problem, from an industry expert's view, second, the personal victim experience -- the impact, from a victim's viewpoint, as a mother and a

privacy expert -- and third, from the investigative side, sort of the ground truth around and, from the front lines, what needs to be done and what is being done or could be done to further our efforts. So, first let me introduce our first panelist, who will come up. I'll introduce them all, and then we'll invite them up. Bo Holland is technology inventor, who, as he will explain, has been delivering innovative solutions to hard problems for over 20 years. In 2004, Mr. Holland founded -- and I think you've heard of it -- Debix, to help stop identity theft and currently serves as the founder and C.E.O. He'll also tell you that he believes everyone deserves basic identity protection, and in April 2011, he worked hard to introduce AllClear ID. He's got hand-out information about that for everyone, as well, in the resource materials. And lastly, I want to say that previously Mr. Holland developed innovative credit card technologies, databases, and computer operating systems at Works, Pervasive Software, and Citrix Systems. So he does know the industry, and he does know the technology behind it. Next to Bo, we have Michelle Dennedy, and Ms. Dennedy is the founder of The Identity Project. That is a play on last name, and it works very well. She has a consultant and advisory company to help bring privacy and security products and services to market. Ms. Dennedy is also a founder and editor in chief of theidentityproject.com, a source for individuals and companies who wish to debate, learn, lead, innovate, and drive the concept of identity in all forms and facets. In 2009, Ms. Dennedy was awarded the Goodwin Procter International Association of Privacy Professionals Vanguard Award for lifetime achievement and the "Executive Women's Forum" magazine "Women of Influence" award for her work in the privacy and security fields. The Executive Women's Forum is an elite gathering, I understand, of the nation's most influential female executives within the information security, privacy, and risk management arenas, so we're glad that she's here, as well. And finally, next to Michelle, we'll have Jennifer Walker. Ms. Walker is Special Agent-in-Charge of the Strategic Research and Analysis Division at the Office of the Inspector General at the Social Security Administration. Jennifer will describe more about her work and her section and the collaborations with all investigative operations on a national scope. They have national implications, and they work nationally on these areas. Before becoming Special Agent-in-Charge, Mr. Walker held various positions within the Social Security Administration Office of Inspector General, where she worked on benefits-fraud investigations and the Cooperative Disability Investigations program and oversaw contract-fraud investigations. So she does have that ground truth, and also, as a bonus, she began her career at IRS, so I think she's got it from a lot of those perspectives. So, with those

introductions, Bo, will you please come on up and share with us, live and on the Webcast, what you found from your most recent research and data, the scope of the problem, and share with us, as industry expert, what you feel needs to be done to help ensure a child's credit is safely secured, both industry and government. And please welcome Bo Holland. [Applause]

>> Bo Holland: Well, thanks so much to the FTC and DOJ for putting on this forum. It's terrific to see this problem getting this kind of attention. It's been something we've been tracking for the last couple of years. As Laura mentioned, my background is in technology, so I have a little bit of a different take on this problem than maybe some of the folks from the data industry, the regulatory industry, some of the different places people come from. And one of the things that we really decided to focus on early on was research. So, let's make sure we understand what is working in this identity-protection space, what is not working, and really get some facts. So, there's a lot of talking, but we've factually see a dearth of research often. So, this is actually our third research project. The first one we did back in 2007 was focused on the fraud-alert system -- so, a pretty neat system that Congress put in place. It does a great job of protecting folks from new credit-account fraud. We found in our research, however, that about 40% of the alerts that were being set actually failed to get set properly for consumers. So, it was a great idea. The implementation had some problems. We did some work with the credit bureaus and so forth to improve that, so that system works much better today. That was our first foray into it. About two years ago, we got onto this child issue. So, part of our business is we get hired when companies have a data breach, and they hire us to go provide protection to those consumers. And first it was many adults, but we ran into a few data breaches where there were children involved -- so, healthcare, educational. And in those, we started seeing some really strange statistics. We saw attacks against the children at a much higher rate. And we were surprised by that because these started coming in through our investigation unit, which is -- If you're in the investigation unit, you already got a problem. You've already been hit, and we haven't detected those with our technology up front. So, why didn't we know that these kids had a problem? What was going on? What was wrong with the scanning? What was wrong with the monitoring? And so we had to work our way back to figure out what the problem was. So, we put out a small report a couple of years ago that had about 500 kids, and we had seen about a 5% rate of identity theft against those kids. But it was a fairly lonely report. We put it out, the economy collapsed shortly thereafter, and that was sort of the end of it. But we've

continued doing the work and have tracked that. So, at this point, I want to walk through what we've seen and observed to date. There we go. So, a little background on the information and the study that we did. This is not a telephone survey, where we call people and say, "What do you think happened?" This is hitting live commercial databases with live transactions. We looked at the credit databases. We looked at utilities. We looked criminal databases. We looked at medical-account-record databases -- so, across a much broader spectrum than just credit. And the population size was quite large. As I mentioned, we've been tracking this for two years. We got up to 42,000 children in this case study. So, it's probably the largest study. I think it's also the first study that's ever been done that actually puts a number on the size of this problem, on the magnitude of it. One note -- again, our business is, we get hired in the event of data breaches, so most of these children and adults -- a population of about 800,000 people that were in the study -- came to us through that event. What we found -- We want to try and isolate that dimension and say, "Okay, is it the data breach that's causing this? Are these children special?" And what we found was that 78% of these children that became victims -- it actually happened before the data breach. So, it's coming from somewhere else, coming from somewhere else. And since this, we've actually done another study with additional 5,000 children that, you know, in no way came from data breach. These are people who came up and signed for a service just on the Web. And we found the same kind of numbers that you see here. So, that's the data that we have and the background. So, here's the topline number from the study. We found at this point that 10.2% of the kids that we were protecting already had a problem. And what I mean by that is they specifically had someone else using their Social Security number. So, something's going on here. This number increased from the 5% we saw early on to 10% now, and it's way beyond what we see for the adults. This was the number that really jumped out at me. So, when we compared the rate of attacks against the adults in this population to the rate of attack against the kids, the kids were being targeted at a rate of 51 times the adults. So, in my view, that can't be an accident. Something is going on. Something is driving that kind of disparity between these two groups. So, it's very, very different. And what we started to understand was that these were really targeting these unused Social Security numbers. So, there was value in a fresh Social Security number that has never been used. It allows thieves to bring a whole nother level of creativity to the problem that you can't do with an adult who has already been using theirs, who already has a record, who has transactions in all these commercial databases. So, that really caught our attention. So, these are some of my

customers. I never expected, when I began this journey, to be protecting 5-month-old children from this particular problem. So, the young man here on the left side of the slide -- he has a bankruptcy on his record. He has credit cards in his name. Didn't expect that. The young lady on the right -- She's about 17. She is transitioning to adulthood and has run into a big problem -- she has \$725,000 in debt. She owns a couple of houses. She owns several car, credit cards, utilities. Turns out there's eight different people using her identity, all within the area where she lives, all using her Social Security number. Crazy. So, bring it to home -- this is my family. I have four kids. And if you take a 10% rate -- any given child -- that means my family's a 40% rate of being hit by this problem. So, someone else may join. Now, the gentlemen that's joining us there -- he's not an identity theft. He runs our favorite Mayan restaurant, so he's a good guy. [Laughter] But suddenly you can find someone using your kid's Social Security numbers, and you've got a problem. So, my family is larger than the average. I think the average is 2.3 kids. But that means that the average family here in the U.S. has got a, you know, 23% chance of bumping into this problem. So, that's a fairly high rate of concern. So, we started asking, "Who's committing these crimes?" You know? "What is really happening here?" And there's really two big drivers, two different groups. So, you'll hear some about these today. The first one is organized crime. So, these are folks who are in the fraud business -- so, making money through fraud rather than doing good. And then we see an illegal-immigration component that's quite significant here, but again, driven by organized crime. Then the second component is friends and family. This one is driven more by folks who are struggling, and they're trying to keep the heat on in winter. They're trying to keep the utilities going, trying to take care of a family. So, the interesting thing is, these last two that I just mentioned -- immigration and the friends and family -- these are really poverty issues, both of them. These are people who are trying to take care of their families and doing things that they shouldn't be doing in order to get that done, but the motivation is one of survival. The other one -- fraud, of course -- you know, that's a different game altogether. So, Understanding these two, we were really interested in, "Which one is really, you know, driving here? What's changing?" -- 'cause we're seeing this number go up so much. So, any guesses? Anybody -- Raise a hand. Who thinks it's organized crime that's the big driver? A few shy hands. Who thinks it's friends and family that's the big driver? Okay. Our data says it is organized crime that is the majority. So, when we look at the attacks, when we look at what's happening -- so, go back to this young woman that I mentioned a minute ago who's 17. If she's got 8 people using her identity, this

is a very large family. But when we look at the pattern of the attacks, we see multiple people in different locations not connected to the family. They don't look at all like the family. And we see, again, this collection of -- this pattern of multiple people using it well beyond what is in the family circle and well beyond the geographic scope of the family. So, we're seeing that -- This is a place where, again, if I can ask for things here at this forum and ask for help, this is a place where we could use help from law enforcement to help us run a few of these cases to ground. But we've got the patterns identified. We know where these suspects are, and with a little bit of law enforcement resources, we could run these to ground and really figure out, you know, exactly what's happening on these. So, that's a piece of research we would like to follow up on. So, how do they do it? So, as I mentioned, back in the beginning, when we started protecting children, our technologies were not detecting the fraud. You know, this stuff was getting through. We didn't see it. And it came to our attention when children were turning 18 and they were getting turned down for jobs. We thought, "Well, we're not doing a very good job here. We're not picking this stuff up, you know? How did that happen? How did that slip through?" So we really started studying it. And the thing that's different about child identity theft from adult identity theft is this -- it is the fact that they take the child's Social Security number. But remember -- that number has never been used in any of the commercial systems. The only organization that really has awareness of that number is the government. And so the commercial banks, utility company, retailers -- they don't have any awareness of these numbers at all. They don't know where they come from. And so, when one of these numbers show up, a thief is able to put a different name with it. They're able to put a different birthday with it, and then they go and execute a transaction -- get a cell phone, get an apartment, get something small. And they can actually create the identity around that very first transaction. It's something that companies expect. They expect to see new Social Security numbers show up every single day, as people turn 18 and start building their credit, as people immigrate legally to the country and start building a life. They expect this. This is an expected event. So, they have the opportunity to change the name. So, it's really a different thing, and this drives to why we weren't seeing it, and it drives to why this problem has been underground. Just to give you a point of reference on the size and magnitude of the problem, as I mentioned, we're seeing -- you know, in this data set, we're seeing 10% of these kids are affected. We saw the same in another data set. I think you'll hear some other reference points today. But in terms of children - or issues that affect children -- To give you a reference point, we see, you know, cyberbullying.

The FBI puts that one at 9% -- so, 9% of kids affected by cyberbullying. ...puts the risk of some sort of sexual victimization against a child at 10% for boys. It's about double that for girls. So, just to give you a sense of where this problem fits in the range of the other problems that we're focused on. So, the last thing -- What do parents do? So, we learned this hard lesson, that we weren't doing a good job of protecting our customer, our children. And we thought, "We need to fix this." So, my mom always told me, "If you bring up a problem, you better bring a solution to go with it." So, we reached out to TransUnion, our partner on the credit-bureau side, and did some additional research to bring to this forum to really understand it. The number-one recommendation for children today -- And you'll see that since this research came out on April 1st. Go look at the articles. Go look at the press that's been written about this problem and look at recommendation. And just, you know, 9 out of 10 times, it's, "Go check the child's credit report." That's what we tell people to go do. That's our recommendation. So, we said, "Let's go put that to the test." So, we took 381 cases of confirmed child identity theft. So, these were kids that we know had identity theft. We know they had credit accounts in their name, with their -- not in their name -- with their Social. And we know that these records existed in the credit-bureau databases. And so we ran a test. We ran our new technology that was uncovering this, that's the basis for this study -- ran that against it, and we ran the credit reports against it to find out what is the rate of success with this recommendation. So, anybody want to hazard a guess, what percent of these identity-theft cases did the credit reports pick up? I'll start. My personal guess was 20%. I thought, "Well, it'll pick up 20%." Anybody else? 5%? 10%? Okay. So, we got lots of single-digit answers. The real answer turned out to be 1%. The credit reports found exactly 4 out of these 381 confirmed cases. Doesn't work very well. We may as well be telling parents to check their child's temperature. It's not effective. So, we -- Again, looking at that, we put together a program with TransUnion. So, if you want to recommend something that does work, we've now put together a system. It'll be available at the ITRC. It'll be available on our site, at allclearid.com, as well. Or parents can go home and check the kids. They can use the technology that's behind the study. TransUnion has stepped up and said, "Look -- we'll do the repair. We'll clean up any of these kids who have a problem." And so that's one solution that we can offer up. That's the nature of the problem. That's where we stand. Thank you so much.

>> Laura Ivkovich: Thank you, Bo. [Applause] Thank you, Bo. And -- Hmm? There we -- And then next we'll bring up Michelle. And she'll please share with us her story and her personal experiences and what the impact can be for a child in his or her family -- Why child identity theft is different from that of adult identity theft and why everyone should care. Michelle.

>> Michelle Dennedy: Thank you. Well, thank you, everyone. And, again, thank you to Justice and the FTC for having this forum. And I'm very excited to be here. I really knew nothing about child identity theft until a scant few months ago, when I first was confronted with the research that Bo is talking about. I was going along. I was the chief privacy officer for Sun Microsystems for 10 years, and then I set up a sales force to sell identity and security products at Oracle after the acquisition of Sun Microsystems. So, I was deep in the data center. I've been all over the world talking about policy issues relating to privacy policies and data control and security. And you would think that I would know better. And I do, for adult identity theft. I came along, and I was asked to look at the study and look at the product. It's a free offering from AllClear ID. And I came along to look as a potential spokesperson for that product. And so I ran my own children's identities through the service. I have two daughters. One is 5, and one is nearly 10. She'll tell she's -- you know, exact calculations of how close to 10 she is, indeed. And so I thought really nothing of it. And along came -- A couple days later, I got a phone call -- "Your 5-year-old is fine, but your 9-year-old has been compromised not once, but twice." So, I was floored. And I now she why there is some privacy on the other side -- because the first thought I had is, "Where's the closest Louisville slugger and the closest airplane? Because I'm gonna come get somebody in Mesa, Arizona, right now." [Laughter] That was my reaction to identity theft. It was, "How dare you touch my child?" I know this is a possibility. I've seen the impact on adults. I've talked to many, many victims, and I've run, you know, big corporate programs. So I understand very much how disruptive it is to the workplace, how disruptive it is to people's credit, how disruptive it is to people's job histories to have bad information about them. What I didn't realize was the impact starting that very young. So, a few further details about Riley's case. The very first stuff that she had was in 1990. I was still partying like a rock star in 1990 at Ohio State University. I hadn't even met her dad. Somebody began using a number that they either predicted or accidentally transposed to create credit. And so when she was issued her number, she already had bad credit associated with a tiny little baby. And unfortunately in our society today, it's not supposed to be -- and you'll

certainly hear from Jennifer -- and was never intended to be a national I.D. But the Social Security number has become the national I.D. in the United States, pragmatically. All businesses ask for it. All schools ask for it. All healthcare providers, whether or not they're supposed to, are still asking for it. And they're not protecting it as a national I.D. they're protecting it as a random string of identifying numbers. And so if you think about how the origins of some of this happened -- we'll hear more about this through the day -- you know, think about where my kid hangs out. She goes to the doctor and she goes to school and she goes to Girl Scouts and church organizations. None of these organizations have, you know, highly encrypted back ends and fleets of security people and people who understand how to use all the technical and organizational protections that we give to our banking information. They're left very wide open for use by other people. That said, I'm thrilled that so few hands went up when we said friends and family, everyone thought that that was the people stealing from these children. And indeed, the statistics are showing that it is organized crime. So, we've already taking a small step closer to the answer. So, we're chasing the right problem and fixing the right thing. So, the question is, "Why do you single out I.D. theft?" Now that we know it, don't we just widen the circle and ask all these kids to go get their credit checked, just a little younger? And I think there's two kind of elements of that -- What is the harm, and then why is this different from adult I.D. theft? Kids aren't supposed to have credit records. The credit bureaus are not supposed to be looking after our kids' data because they're not supposed to have any. So, it is difficult. It's not that they're evil people and they don't want to find your child's file. Oh, and by the way, when I did receive my information back from two of the three bureaus, it was "File Not Found," was the answer. So, I was also in the 99%, where they never would have never predicted or protected Riley's information. So, we're not looking in the right places because the people who actually have the data don't know they have it or don't want to have it and haven't figured out how to get it out of the system. Authentication procedures for children are quite different and quite unique. We're not looking at them as having multiple pieces of I.D. when they first start kindergarten. We're asking for a Social Security number and maybe a doctor's note. We're not looking at protecting that information and limiting that information. There's not enough education in the marketplace to tell parents to push back when someone asks you for their Social Security number to join a church canoe trip. They probably won't be trying to get a credit card in the canoe. I'm not sure why they're even asking for that kind of information. And the places that they hang out are so cash-strapped already that it's not like schools and other institutions can start --

you know, we can barely afford are teachers, if we're lucky enough to have one in our public schools today. We certainly can't afford a CISO and encrypted laptops for all of our kids. The second thing -- data describing children doesn't seem to be economically relevant. You know, there's a lot of mentality out there -- "My kid's got 7 bucks in his piggy bank. Go ahead. Steal it. What am I out, 7 bucks?" Or they think it's similar to the adult crime, which is, you know, "I have an AmEx, and I got a phone call that someone was trying to use my AmEx. All I have is the inconvenience of changing over all my online accounts. What could possibly be the harm? And how could these kids actually lose out, since they don't have anything to lose in the first place?" And so I've kind of labeled what kids do have to lose, as a loss of what I'm calling the children's firsts. Firsts in childhood are dramatically important, and they guide and lead our children into whatever future it is that they will have. Think about their first credit card denied, a child who wants to go on to be a little more independent and start to learn about fiscal responsibility having their first credit card denied. Having your DMV records tied to a criminal's name. Imagine your 16-year-old is so proud to be driving on the road, only to have a broken taillight and find himself dumped into a prison unceremoniously for 24 hours, until they figure out that he actually isn't a drug dealer. You can't unwind that first for that child. The first medical emergency muddled with incorrect information -- this can be a life-changing event for the child. I've had -- You know, since I came into contact, especially with the free product at AllClear, I've had all my friends and neighbors go to allclearid.com and sign up. I had a call from my neighbor yesterday, and he said, "I know this isn't I.D. theft, but my child is -- I live out in California. My child has never been to the East Bay. Why am I getting collections notices from a medical facility?" It's not a credit card, so it can't be I.D. theft." And I said, "Indeed, this is exactly another case of victims firsts, of someone else using -- desperate enough to have to use someone else's insurance information and medical accounts. And it was associated with the correct name. And in this case, it was rather life-altering. The kinds of drugs that this other person were prescribed were absolutely lethal to his daughter, who has a medical condition. First college loans denied -- this one really shakes me to my core. You can do everything right and plan your child's future and work so hard and have everything down on the record. Who can afford college in cash? Like, 10 people who probably don't need to go to college anyway, right, 'cause they're gonna be rich, anyway. Nobody can afford college in cash. And so if you get to be 17, the current recommendation has been to check your credit -- I'll use air quotes for it -- at 17. If you are trying to simultaneously apply for colleges and

get secure student loans, you're going to run into problems. So, the recommendation, I'm hoping, after today, will be to start to figure out how to do a child search much earlier in the process so that if you are having one of these very large problems, it can take -- you can take that into account. In my case, it's a rather mild case. So, the second case is utilities that were set up, probably by an illegal immigrant, somewhere in a state other than ours. We will get this cleaned up, but it's already July, and I discovered this in late January. And we're still cleaning it up. So, imagine if you're trying to get your child into college. Every month counts. And if you think that one year in community college, when your child was accepted to an Ivy League, won't make an impact, I'm afraid you're terribly wrong. And then first apartment, first utilities -- we're gonna hear a lot more from Jo McNabb and some other great experts on the work that they've done in the foster-care system. You can imagine the hardships that these kids already faced, and then to go out into the world and be denied a utilities account or not able to obtain even enough credit to secure first month's rent. These children don't have enough money to pay in cash too far in advance. So, it's the list of firsts for our kids. It's hard enough, as an adult, to lose a job because you've got bad information associated. But for a child, it can truly be life-altering. It can change the course of what should have otherwise have been a story written by the child himself and not stolen by someone else who wants to write a totally different story or hide behind their clean and good name and reputation. And the final thing is in more economics. So, if you're not upset enough just because these are kids and they're our future, I think, for all of us, the economic harm, when 10% a year of our credit information and our "national-I.D. information" -- again, in air quotes 'cause legally it's not a national I.D. -- but practically our national I.D., 10% a year is being compromised. You can extend out that math over time. What happens when we no longer have confidence in our financial system, when we no longer have confidence that our loans will be repaid, that we no longer have confidence in who is an accredited investor to participate in start-up-type business activities, and so on and so on? So, there's a systemic financial impact, as well as what we should be doing morally, ethically, and legally to help our children have a future that they design on their own. And then the final two problems, I think, that are really kind of difficult is -- You know, the problem with kids and the great thing about kids is they keep getting older every year. I try to stop it. I've begged them to stay little, but it just doesn't happen. So, some of our staunchest advocates will kind of time out. So, after my kids turn 18, will I be as passionate about this? I probably will be, based on this experience, but many parents will move on. So we lose our advocates year after

year, as the parents get a little bit older. So, we have to constantly be systemically educating -- hopefully within the educational system -- about this problem, teaching the new parents that are coming in to be ever more vigilant about this issue. And then the final issue that I hope we're gonna tackle and talk about a little bit today is there's no one individually that owns this problem. It's not the parents' fault. It's not the cops' fault. It's not the banks' fault. It's not the retailers' fault. But all of us have a little bit to do with solving the problem and coming up with better mechanisms so we know who is who, we know what to do when things go wrong, and we know how to educate people so that at least the bad guys know we're out here. We're watching. We are no longer going to passively hand our children over to bad guys, who are only focused on exploiting their good names. So, I think just even being that loud and that clear will help make a difference. So, thank you very much, and I look forward to chatting with all of you today. [Applause]

>> Laura Ivkovich: Thanks, Michelle. And finally, we'll bring up Jennifer Walker. Please share with us, please, Jennifer, what the Social Security Administration and the OIG is doing and what you're seeing from your unique vantage point in working some of these difficult and often large cases. I know we won't go into too much detail about that here. You can't. But please touch on the criminal elements and how organized this crime has truly become. So, thank you, Jen.

>> Jennifer Walker: Thank you. Good morning, everyone. I want to echo Bo and Michelle's thanks to the FTC for hosting this forum and particularly for inviting the Social Security Administration Office of the Inspector General to participate. I just want to give you a real brief overview -- Oh, I'm sorry -- a real brief overview of the Office of the Inspector General. We are approximately 590 people of SSA's approximately 60,000 employees. We have two main components -- our Office of Investigations and our Office of Audit that make up the bulk of our employees. We have approximately 280 special agents and approximately 210 of those actually working in the field on various issues, including identity theft. As you can see, 210 people combating a problem as large as identity theft is pretty small. We have 63 offices in 45 states and in Puerto Rico. To just give you a little bit of the scope -- Whoop, I went backwards. I'm sorry. I screwed it up.

>> Laura Ivkovich: That's okay. There you go. One more. Another one.

>> Jennifer Walker: There we go. Okay. So, just to give you a little bit of a background as to what we actually do -- we investigate several areas of fraud, most notably program fraud and disability fraud. 89% of our case load is disability-fraud related. Approximately 5% to 6% of our case load is SSN misuse/identity theft. And it's because our mission really is to protect the Social Security programs. So, we are a small player in identity theft, but we feel we have a responsibility to work SSN misuse/identity theft cases, and we do take that responsibility very seriously. To put this in perspective, for fiscal year 2010, the Social Security Administration Office of the Inspector General received 150,000 allegations of fraud. Approximately 12,000 of those were related to SSN misuse and identity theft. We open approximately 6,000 investigations every year. In fiscal year '10, we had 1,400 convictions, over \$36 million in recovery and \$26 million in restitution. Interestingly enough, although the smallest percentage of our cases opened as identity theft, they result in the largest percentage of our criminal convictions, which I think speaks very highly for how seriously identity theft is taken once it does get into the courts. And because we are such a small investigative agency, we do work most of those identity-theft cases jointly, with other law enforcement agencies, which I'll touch on in a moment. I do want to give you a little bit of information on an area that we worked on recently, specifically related to I.D. theft and very relevant to this forum today, and that is the issue of credit privacy numbers. Credit privacy numbers are a 9-digit number that resembles the SSN and/or the ITIN, which is provided by the Internal Revenue Service. The purpose of these credit privacy numbers is to create a new credit file for those people who have bad credit, delinquent credit, bankruptcies. Credit privacy numbers -- or CPNs, as they are known -- are not legal. However, the Websites that sell them to you, anywhere from \$39.99 up to \$79.99, will lead you to believe that they are legal and that you can use them. They are not legal. There's been some research done that the -- Most of the CPNs are actually children's CPNs. So, that's where we kind of get the tie-in here. There's been some really interesting research done on this by the Identity Theft Resource Center and the FTC on CPNs. And then, last but not least -- I know we're getting a little short on time -- I just wanted to go into, real briefly, a pretty significant case for the Office of the Inspector General that really highlighted the problem of identity theft and children's identity theft and kind of ties back into what Bo said about this being more an organized-crime issue rather than a friends-and-family issue. Back in 2007, there was a large organized-crime ring in Puerto Rico which had stolen approximately 12,000

Puerto Rican identity documents from schools -- specifically from schools. They were breaking in to schools. They were stealing the documents. They were then repackaging those documents and selling them to people on the U.S. mainland, mostly undocumented workers and immigrants. The documents were sold for, you know, a relatively miniscule amount of money -- 150 bucks for a package. A multi-agency task force was established. Like I said, we do work jointly with a lot of other investigative agencies. The task force included the Social Security Administration Office of the Inspector General, the FBI, U.S. Postal Inspection Service, U.S. Secret Service, Immigration and Customs Enforcement, and Department of Education, and also the U.S. Diplomatic Security Service. The good thing -- I guess the good outcome about this huge data breach in Puerto Rico was that, actually, legislation was enacted in response to this theft. And in December 2009, Puerto Rico passed a law that made all birth certificates issued prior to July 1st, 2010, invalid. They are no longer valid documents, and everyone had to go re-apply for a valid birth certificate. The law went on to say that institutions, public and private entities, could no longer retain birth certificates in their files, which was how the theft was perpetrated in the first place. These schools housed years and years and years worth of original documents. And last but not least, I just want to mention that our Inspector General supports legislation to limit the use of Social Security numbers and also to impose penalties on companies who sell SSNs, CPNs, name-generator Websites, I.D.-generator Websites, and the like. Thank you very much. [Applause]

>> Laura Ivkovich: Thank you, Jennifer, for illuminating that for us. We're gonna open it up here in just a second, but I wanted to ask our panelists a question or two with the time remaining. And we have about five minutes, so we'll keep these questions real brief, but we do want to open that up to the audience. And we have mikes on either side. If anybody would like a question asked of our panel, raise your hand, and we'll get you a mike. Bo, I'm gonna start with you. Why is child identity theft so complex and such a hard problem to fix? What is really underlying that problem in a nutshell?

>> Bo Holland: Great question. So, my opinion is it's actually not a hard problem to solve. It's not an unknowable problem. It's not like cancer. We don't know how to solve that. In the case of identity theft, it's more of a communication problem or a lack of communication. So, what I mean by that is every identity-theft attack that we've ever seen, someone knew the answer to that. So, if

anyone asked me, "Hey, is your child, you know, getting a driver's license, are they buying a house?" -- You know, I'm the expert. I absolutely, positively know that's not the case. And the problem is that all the folks who are issuing these loans, who are offering the utilities -- you know, they're in the dark. So, if there were some way that we can raise sort of the situational awareness -- That's a term that the military spends a lot of energy on, you know -- "How do we know what's happening on the battlefield? Where are the troops? Where are the guns pointed? Where are people moving?" They spend a lot of money building systems that raise situational awareness. So, to me, the two big things that need to be done here are, one, raise awareness for parents -- so, one, letting them know there is a problem -- two, giving them some sort of system where they can find out if it's already affecting them, right? So, that would be valuable to get them in the game. Parents are currently in the dark. The kids are in the dark. The second big one, I think, for solving this child problem is really related to Social Security numbers. So, companies, once again, are in the dark. They don't know which Socials belong to whom. They don't know what name goes with them. They don't know what birthday goes with them. So they guess. You know, they're forced to guess. And so that's not good. So, again, in that situation, we have someone who does know that. So, the government happens to know that information. So, that's another area where, if we could build a system that would raise the situational awareness on that front, I think those two things would go a long way to solving this problem.

>> Laura Ivkovich: Thank you. And, Michelle, I would like to ask you next -- What information about the potential harm of identity theft on kids would you say needs to be included in training materials for every professional who works with kids? And how about every parent? You know -- from that perspective.

>> Michelle Dennedy: Yeah, it's a great question. And I think the number-one thing is that this is not just a financial crime. It's not just the credit that needs to be checked. We're talking about a comprehensive search that talks about healthcare records, gun records, utilities records. It's far beyond credit, and I think that's kind of the number-one myth that we need to bust out there -- that most parents believe that this is about a couple people swiping a credit card and running up \$50 and then running off into the night. This is a comprehensive identity. Anywhere where you can obtain

a good or a service based on a credential, that's the breadth of the problem, and it's different than what we've kind of identified in the past.

>> Laura Ivkovich: Thank you. And, Jennifer, finally, you know, given the value of a fresh Social Security number, which we heard from David this morning, and knowing what SA is working on with regard to randomization, could you tell us a little more about that and explain how this is working and what the reasoning is behind why SSA is trying to go towards randomization of SSNs?

>> Jennifer Walker: Sure. The randomization of SSNs is actually twofold. One is to protect the integrity of the SSN. SSNs, up until a couple weeks ago, were based on the address of your application. That is no longer the case. SSNs will now be assigned randomly, no matter where you applied for them, no matter what your address is. The kind of the benefit to that is it will extend the longevity of the 9-digit SSN because you'll have, you know, a very small-populated state. You know, they still have lots of SSNs available to issue -- California, not so much. So, this actually puts everything kind of back in the melting pot. It will also eliminate the geographical significance of the first three digits of the SSN. Right now, if you know where someone was born, and what state they were born in, you can pretty much guess those first five digits. My father worked for Social Security for 40 years, and he's darn good at it. [Laughs] And also, it will be more difficult to reconstruct the SSN without those parameters in place. Also, along the lines of randomization and following up on what Bo said about the federal government has all this information, the Social Security number and Department of Homeland Security have services in place available to verify Social Security numbers. The Social Security Administration has SSNVS. It's available to employers to verify Social Security numbers. Department of Homeland Security has E-Verify, which is available to employers to determine employment eligibility. And also SSA has a consent-based SSN verification service, which is available to enrolled private companies and government agencies for a fee. So, there are mechanisms out there to verify Social Security numbers before goods or services are allowed. And they are all on the SSA Website.

>> Laura Ivkovich: Great. Thank you. We have about a minute for a question. If anybody has one, please raise your hand. And we have Brooke and Cheryl available to bring the mike to you.

Do we have any questions? We do have a question. And she's an expert, so I'm sure this is gonna be an easy question.

>> Joanna Crane: No, it's just --

>> Laura Ivkovich: Please give your name and --

>> Joanna Crane: Oh, sorry.

>> Laura Ivkovich: Thank you. Sorry.

>> Joanna Crane: Yeah, my name's Joanna Crane, and I worked at the Federal Trade Commission for several years, also on identity theft. And one thing that I wondered, especially after hearing Bo's presentation -- a lot of what you found were synthetic I.D.s -- I guess that's what you'd call it -- because it's a mismatch between the name and the social. And so my question is, in terms of those firsts, like getting credit or driver's license or something -- if there's a mismatch when the credit -- when the company seeking to lend credit gets a credit report on the true-name individual, the child, do they get that negative baggage along with it? Because that would be associated with a different name and a different date of birth. Or why would those two be associated, since they're not really good matches?

>> Bo Holland: Yep. Terrific question. So, essentially the scenario you described -- a merchant, a retailer, or a bank going in to check the credit -- they would not find that synthetic identity using a credit check. Again, the credit report, the credit checks are all designed to look for a specific name, a specific social. It pulls those two things together. So, if it doesn't find that match it returns "Nothing found." And so that's actually led to one of the other myths, which is, "Oh, well, this doesn't cause any harm. It's not gonna hurt anyone." What we find is that it's actually other mechanisms that cause the child to have the problem. So, some of these banks that we have in the country are pretty large -- so, Bank of America, Citibank. Well, if they have seen your number used in their banking world, you know, it's gonna kick you out. So, if you apply for a loan at Citibank and somebody else has done it, you're gonna get kicked out. So, the breadth of the

retailers, the breadth of the banks causes an issue. The other big thing that we see are the background checks. So, background checks operate differently. They're scanning for more. They're not looking for just that one isolated case of credit. And so we find that a huge problem is people getting that first job. They get a good job, there's a background check that comes with that job, and that background check will find all this noise. It will find the medical problems. It will find the credit problems. That's where it comes up.

>> Laura Ivkovich: Thank you. I think we're about out of time. I wanted to mention, for those on the Webcast -- You can e-mail a question to childidtheft@ftc.gov. And we'll try and read as many Webcast questions as we can to the panelists who are gonna be coming up and the moderators following this opening overview. And we will respond to all questions. That is a promise -- that we'll make sure that any that come in that we don't get a chance to read aloud, we will actually respond to. So, I want to make sure that that is mentioned. And so we're gonna be bringing up our next panel, and I want to -- Thank you to our first panel for their great overview. [Applause] The next panel is going to be on children at risk, foster care, and beyond. Our co-moderators are for this are Lisa Schifferle from FTC and Bethany Case from the Office for Victims of Crime, visiting fellow. And they'll be coming up, and then we'll have a break after their session. So, come on up.

>> Lisa Schifferle: Thank you, Laura. That was a very interesting overview of the child-I.D.-theft problem. Now, imagine how much more complicated the problem gets when the child whose identity is stolen is a foster child. That's what this panel is going to explore. This panel is going to look at the unique challenges of identity theft in the foster-care context. For example, foster children tend to be more vulnerable to identity theft to other children because their personal information is floating through the foster-care system. It's going to social-service agencies. It's going to foster parents. It's going to the biological parents. In addition, it can be harder to resolve child I.D. theft when it happens to a foster child because foster children often lack the social safety nets that other children have. Finally, the consequences of I.D. theft can be more severe for foster children than for other children because once these children are emancipated from foster care, clean credit is essential in their process to establishing a strong start to adulthood. So, this panel is gonna look at all of these challenges, as well as assess state and federal efforts to address the challenges related to foster children and identity theft. Let me introduce all of us. My name is Lisa Schifferle.

I'm an attorney with the Division of Privacy and Identity Protection at the FTC, and I'll be moderating the panel, along with Bethany Case, who's a visiting fellow at DOJ's Office for Victims of Crime and also has an interesting background as a social worker who has worked with child-abuse victims. Our panel consists of Matt Cullina, who is the C.E.O. of idt911 and also offers an interesting personal perspective because he is a foster parent himself. After Matt, we'll hear from Dan Hatcher, who's an Associate Professor of University of Baltimore Law School and has done research on poverty-related issues and will talk to us about the broader issues of foster-care identity theft and how it relates to poverty and other issues that may be affecting the foster children. After Dan, we'll hear from Amy Harfeld, who's the National Policy Director of the Children's Advocacy Institute and has been active in the efforts related to federal legislation on these issues. Finally, last but certainly not least, we will hear from Howard Davidson, who is the Chair of the ABA's Center on Children and the Law. So, with further ado, I'll turn it over to Matt Cullina.

>> Matt Cullina: Thank you, Lisa. It's a pleasure to be here. First and foremost, my personal reason for being here is I'm a foster parent. I've been a foster parent for about seven years, and so I've worked quite closely with the system. I live in Providence, Rhode Island. I've actually ended up adopting three children from the foster-care system. So, not only am I a foster-care parent. I also conduct training of foster-care parents or prospective foster-care parents. Combining that with my kind of professional life, I realized early on that, in all of this training, education around foster youth and in foster parenting -- and even in the social-welfare-services arena -- there really isn't focus on identity theft and privacy protection of the individual. It's really based on trying to provide well-being, making sure that the child is physically secure, safe, and thriving, and less so on protecting their data. On a personal nature, when you're in the foster-care process and you're being presented children, you see a wealth of information about that child, you know everything in detail about that child. And if you consider that, that's just for a first-blush discussion. That's not for parents that are going to be receiving the child. So, the volume of information that is being distributed, that sensitive information about those children, is really -- It's, you know, extremely hard to quantify. It's just always out there. In Rhode Island, as in most other states, they issue an I.D. card -- They call it the anchor card -- to every foster-care youth. And that I.D. card has the child's date of birth, full name, and Social Security number on it. And in the identity-theft space, that is like verboten. There's probably no other segment of the population that

has I.D. cards with those three pieces of information on it. And I would challenge you to come up with any other segment that still uses Social Security and I.D. cards. And this is something that's commonly issued. For my three children, I probably get between five and seven I.D. cards a year issued to my address. I have no idea why I get more than one. I have no idea why I need a new one every year. They just keep getting issued and issued and issued. And I think that one of the things you'll hear about today, the legislation that's being bandied about, is really focused on trying to address that one issue, and that's a primary exposure point that can easily be rectified. For my professional life, I'm C.E.O. of Identity Theft 911, and we're an expert identity theft/fraud service that's been around since 2003. So, we've been on the battle lines of helping consumers address fraud issues, both pro-actively and reactively, since 2003. We're a business-to-business company, so you don't know our name, more than likely. You find us through your insurance company, through your union, through your bank. And we are there to provide expert assistance, one-on-one case management for consumers. We service over 14 million consumers across the country, and we also respond, in the case of data breaches, in assisting businesses that have had data breaches. And we currently assist over 250,000 businesses with any data-breach issues that they have. So, we have a vast amount of experience in handling all sorts of consumer fraud issues. And hopefully, through our education and advocacy efforts, we catch a lot of that ahead of time. But more often than not, we see people coming to us with issues that already exist. Then, about maybe three or four years ago, we started seeing a growing incidence in identity-theft cases involving children. And what it really stemmed from is the detection was always much later than the occurrence. And that's one of the major challenges with child identity theft, is that years can go by without any hint of a problem, and the thief can spend all of that time just, you know, aggregating, and conducting more crime, without any detection. And so, you know, the child's applying for financial aid for school and realizes, lo and behold, "I have the worst credit on the planet." Or, you know, the parent is filing a tax return, and the tax filing gets rejected because the dependent they claimed on the tax filing was a Social Security number already being used by somebody else, in a separate tax filing. So, those are the kind of detection point we see. As Lisa started to touch on, when it comes to foster-care identity theft and foster-care issues and exposure relating to identity theft, it's an under-researched issue, and it's one that's finally getting attention. There's approximately between 400,000 to 600,000 foster-care youth in the systems across the country, in the different state systems, at any given point in time. Between 30,000 and 40,000 emancipate or become adults

every year. So, they go off into the world, no longer wards of state and, you know, allowed to kind of fend for themselves. And, you know, experts have started looking at foster care and identity theft dating back about three or four years, when California was really at the forefront of proposing legislation around the topic. And a lot of experts opine that it's probably the most exposed class of potential identity-theft victims, are foster youths. And unlike what has been discussed today so far, is that -- the issue being related to organized crime, one of the more than likely common causes of identity theft, when it comes to foster youth, is friendly or familial fraud. And similar to the points that were raised about poverty conditions and just trying to get by and using an active, clean Social Security number to turn the lights on or to pay the phone bill or to get that new credit card -- that's the kind of cases that we've seen in our service center. They've really been based on family members that have taken advantage of their children, of their cousins, of their nieces, what have you. And so if you think about that, that adds a certain emotional component to it. And it probably really correlates to underdetection, where, even if the youth is finding out about these issues, they're probably not willing to report it. And that's, you know, one of the big challenges here, is that there's a tie, a familial tie that is really causing, in action, a part of the youth. And so they're living with that bad credit, they're living with those negative consequences that they had absolutely nothing to do with. So, today I don't want to speak and have you just hear from me. I want you to hear from a victim, a foster youth named Jaleesa Suell, who wants to share her story with you all. And I could give you a little bit of background on Jaleesa. This is some of her background. She's a college student, attending college in Washington, D.C., and she wanted to share her story about her particular circumstances. Pardon me.

>> Male Speaker: Identity Theft 911 podcast.

>> Kelly Colgan: Good morning, this is Kelly Colgan of Identity Theft 911. Foster children are vulnerable to identity theft because of the transitory nature of their lives, according to a report issued by the Children's Advocacy Institute called The Fleecing of Foster Children. With me I have Jaleesa Suell. Jaleesa was a foster youth and is here to explain her experience in dealing with familial identity theft. Hi, Jaleesa. How are you?

>> Jaleesa Suell: I'm fine, and you?

>> Kelly Colgan: I'm well. Thank you. Now, why don't we get started with you telling everything how old you are and what happened?

>> Jaleesa Suell: I'm 21 years old. I am from Oakland, California. I entered the system when I was 8 years old. I was taken away from my mom due to neglect. I was in seven placements. Every placement, I entered a different school. It was school where I find out that -- School was a safe haven. It provided stability and security. So it was a safe haven for me. In high school, I lived in three placements. I transferred school three times. It was very difficult to maintain grades and extracurriculars, so I thought that going to college was kind of in jeopardy. But I knew that I kind of had to so that I wouldn't have to live the life that got me into the system. So, now I'm matriculating at the George Washington University. When I turned 21 last year, I kind of hit that stage in my life where I needed to figure out what I was going to do with it, if I was going to go to grad school or if I was just gonna look for a job. But the thing that I came up priority, top priority, was financial stability. So, I needed to form a line of credit. And so I applied for a credit card, but I was denied the credit card, and I didn't know why because all that's really on my credit report is student loans. So, I looked at my credit report, and a credit card was opened under to my name, and it was charged off. The payments were defaulted on. And now I'm struggling to get the negative account off my credit report. I've been back and forth with credit bureaus and the bank since September of this year. And it's just been really difficult. Like, it's still there. I'm still having problems with establishing a line of credit. It's prohibiting me from doing things other people can do. Like, I attempted to get a car. I can't get a car. I don't have a line of credit. Like, I fear that after I graduate, I will be denied apartments because I can't. So, I feel this in the system, where I often find myself worried about if I was going to have a place to live the next day or have food, and I've worked so hard to ensure that that won't happen after, you know, I emancipated. But now I find myself in that exact situation, just for the simple fact that, like, I don't have a line of credit and that I'm considered a liability because a family member stole my identity. Between placements, I was often put in respite with a family member or I stayed overnight with a sister or my mom or something like that. But -- So, with that was my personal information. Like, they pretty much -- Like, my life was in their hands for that certain amount of time. And when I was trying to figure out who opened the account, only a family member knew of the bank. And the bank is in South

Dakota, and I'm from California. So, that was a little fishy, just a little bit. She also knew who lived at the address that the card was under. And it was just very unfortunate that while I'm moving places and while I was in such a state of instability, that she was able to garner that information.

>> Kelly Colgan: And your case, as of today, is still unresolved. So, how long have you been trying to sort this out?

>> Jaleesa Suell: Since September, since I found out. No, actually -- Actually, I want to say January -- the middle of January.

>> Kelly Colgan: Okay. Of 2001?

>> Jaleesa Suell: Yeah. I found out the account was there, and now it's just been back and forth, back and forth, back and forth.

>> Kelly Colgan: Wow. Okay. And do you think, by chance -- There are a lot of talk of Social Security numbers being placed on identification cards. So, the I.D. card that you used often had your Social Security number on it. And that's one of the biggest risks for foster youth, is that their Social Security number is constantly exposed, really easy to get a hold of. So, do you think this may have contributed to the ease, at least, or the temptation to use your information to get, you know, that person --

>> Jaleesa Suell: It definitely contributed to the temptation, especially if you're low-income, "I need money," "Oh, I have access to this, so I can use it." And it also contributed to the ease. The number is in her face. Like, it's in her hand. And because the system, our social workers, or who's ever handling our case doesn't really consider the fact that our lives are our Social Security numbers, they just give it away real easily. "Here's her file. It goes with her." But it's not in the system. It's not in a space. It's in the hands of a human, and humans make mistake. Watch and see, you know?

>> Kelly Colgan: Right, absolutely. And what advice would you give to others going through this? I mean, clearly this created a lot of obstacles for you. It still is. It's not resolved. There's nothing, really, you could have done to prevent it. It's just something that happened. But I'm sure there are moments where you get discouraged and frustrated, but is there any advice that you would give to other foster youths that may be going through something similar or maybe just anyone going through it?

>> Jaleesa Suell: It is very discouraging, but I would say just kind of persevere through it. Just be tenacious in your mission to get it resolved because ultimately, if this doesn't get resolved, it can affect you tremendously. I'm still concerned about where I'm going to live after I graduate, and I have a year to figure that out. But what if this isn't resolved in a year? So I would just say keep going, be tenacious, be relentless if you have to because this is your life.

>> Matt Cullina: So, that's Jaleesa's story, and we're currently working with Jaleesa to rectify her problems. So, I think you get a personal sense of what folks can go through in this situation. And I think the last thing she said is critical here, in that your identity is your life. It is everything. Your Social Security number is your identifying number in this country, and it is your core asset. And so for folks who have very few assets, their identity is something that is what they have. And, you know, there's a lot of efforts that are going on now that are really trying to combat this issue, as it relates to foster youth, and you're going to be hearing about various issues from the panel around these topics. But one I definitely want to point out that's actually currently under way right now at UCLA is called the Bruin Academy, First Star organization, which is a nonprofit. It's collaborating with the Child Advocacy Institute and with Identity Theft 911 to conduct a 5-week training course for foster youth, to provide them with financial literacy and identity-management resources so they can become their own advocates. And the program is under way. It involves 30 foster-care youth from Los Angeles county. And this is a pilot program that we're hoping to duplicate around the country at various Universities in the summer sessions. So, you know, on a person-to-person basis, trying to educate the foster youth. And Jaleesa -- as you can see, how eloquent she was -- she is one of the First Stars trainees. She's been through a lot of kind of leadership coaching from First Star. And you can tell, you know, how she's looking at preparing herself for emancipation. And also you'll hear about various legislation that's going on, on the state

level, in Colorado, in Connecticut, in California, that Congressman Langevin is also looking at a federal legislation to provide resources to foster youth and to eliminate the use of Social Security numbers on identification cards. And finally, I would say I think it's a collaborative effort. You know, it really is the social-welfare-services agencies, it's foster parents, it's foster youth, all working in conjunction to really combat these issues. There's no way to prevent identity theft, so anybody who tells you that they can, you know, guarantee prevention to identity theft is misleading you. It's all about diligence, education, advocacy, and keeping active on the topic. So, thank you. [Applause]

>> Lisa Schifferle: Thanks a lot. That was a very interesting personal perspective on foster-care identity theft. And next we're gonna hear from Dan Hatcher. Before we do, I just wanted to mention -- You'll see that Joanne McNabb is originally on the agenda, that Chief of California's Office of Privacy Protection. Unfortunately, she's not able to be here with us today. But she has thankfully provided handouts of her PowerPoint, which are available outside on the tables. And for those participating through the Webinar, you can E-mail us at childidtheft@ftc.gov for copies of those. So, now we'll hear from Dan Hatcher.

>> Dan Hatcher: Still back in legal-aide mode, so I'm pretty low-tech and don't have any slides. [Laughter] I guess that makes me at less risk of I.D. theft. [Laughter] Well, thanks for this opportunity. I think it's wonderful to start bringing a lot of these issue to light, which, I think, so many of us have had no idea and the public has no idea is happening to children, and in my particular interest, in foster children. With kids in the foster-care system and their families, I think one of the biggest problems is getting a fuller picture, getting our arms around these issues with poverty, how poverty interacts with the child-welfare system and how poverty interacts, ultimately, with child I.D. theft and as a cause of child I.D. theft. Normally, with I.D. theft, you know, we want to think about this pure, bad actor, you know, the evildoer, to quote a former president of ours. And sometimes it could be that simple, but more often than not, in the foster-care system, unfortunately it's not. Often, it's not so clear-cut. Sometimes it happens from a child's sibling. Sometimes it happens from a child's parent, a caretaker, a grandma who needs to get the heat back on in order to keep the child in their household, a relative or parent struggling with substance abuse. You name it. And I think, to take just a quick moment to look forward to these children as

they're aging out of the foster-care system -- There are really few studies out there unfortunately still. We really don't have a good sense of where these children are or how they're doing. The few studies that are out there don't paint a pretty picture of former foster-care youth who are aging out of the system. Most kids probably don't report when it's happening because they're not in the above-ground workforce. I mean, I think, when I hear about a former foster youth who's going to college, I'm just amazed. I think they're a hero. But that's not most former foster children. Most don't have driver's licenses. Most aren't working. They may or may not be able to get back on to the welfare system. They're having children, who they're struggling to keep, themselves, out of the foster-care system. They're ending up in the criminal-justice system. So, it's a big mess of a problem. So, I don't think there's an easy fix, unfortunately. So, taking just a minute to understand the poverty problem a little bit more -- children who come into foster care don't come from rich families, right? The numbers show, in huge proportions -- I won't get into the statistic, but almost all come from low-income families. In part, this is driven by money, to put it bluntly, because when a child comes in to foster care who comes from a poor family, the state gets federal funds. When a child comes from a rich family, they don't, right? And state agencies actually across the country are hiring private consultants to help them increase what they call their the penetration rate, which is the percentage of children in foster care who come from poor families, all right? So, there's some pretty harsh, perverse incentives out there in the system. Also, the parents themselves who are -- More often than not, it's neglect, not abuse. Most, again, children who come into foster care don't come because of abuse. They come because of neglect, because you got a single mom struggling, a dad not paying child support because dad's also poor. And she can't afford heat, she can't afford food, she can't get healthcare. You're seeing how all this interconnects with a lot of national-policy issues right now. The funding structure, I already mentioned, also contributes to the problem 'cause, again, not only are states getting funds when they come from poor families. Even when they're getting funds, the funding to state agencies is a joke, you know, when you think about what the agencies really need to be serving these children, especially in the core urban areas, where the problem is most concentrated. I did advocacy in Baltimore City. The caseworkers -- you know, their caseloads were enormous, often in violation of judicial-consent decrees. They're huge. I mean, it's the kangaroo-court system warned about, you know, back by George...in 1967. This was a Supreme Court case, still exists with kids. We don't know about it because it's a confidential system, right? So we can't get into this system. It's confidential for the public, which

is ironic when you think about how closed it is 'cause then the agencies themselves are so loose with the information, which leads to the I.D.-theft problem becoming worse and worse. Case management for child-welfare agencies is not one of their strengths. Okay, so, poverty is a problem. Looking forward, the use of information, as I already said, often comes from a family need. Again, may have their utilities, their phone service turned off, due to inability to pay bills, often occurs because of substance abuse. And I think this is an even harder gray area, right, 'cause it feels a little more bad, right? It's not actually just trying to take the information to put the heat back on, but maybe take the information to go down to the corner and buy drugs, right? But if our effort that's going on at that same time is to try to reunify a child with an impoverished parent who may be struggling with substance abuse, if we lash out too quickly, if our knee-jerk reaction is to simply prosecute and to criminalize, then we may severely harm the chances of actually providing the needed assistance to the family member and block the potential reunification with that parent. And more often than not, again, an adoption for many of these kids is -- even though that's a goal, that's a hope -- it often doesn't happen, which is why we have such a huge problem with children aging out of care. Gap and assistance. State foster-care agencies are completely dropping the ball on this issue. And I think advocates are, as well. Honestly, I think we all are. Agencies, as I said, are contributing to the problem by how loosely child-identifying information is safeguarded. Record management at foster agencies is a joke. Case workers either are not looking for these issues or when they spot it, they don't know what to do or, to sound a little jaded, they don't care, because they're burned out, 'cause their case loads are so huge, right? They're not not in a situation where they're trained to be holistic if they see a problem if it's not in something that they already have a form to deal with. It's an incredible problem as well, 'cause agencies aren't assisting the parents and relatives with the broad poverty problems that I just mentioned. The agencies, again, are incredibly underfunded. In fact, as my other research and advocacy has found that state agencies, agencies that are supposed to be helping our children in foster care, are also seeking to take resources from the foster children to increase funding to the foster-care agency, including Social Security benefits. All right, so they take Social Security benefits belong to the children to pay themselves back for the cost of care to bolster state funds because they are so underfunded. So if you have the state agencies, which are supposed to be the guardians for the kids, that are more focused on their own financial well-being than the children, I think the chances of really addressing these financial concerns for the children are pretty slim. Advocates are also dropping the ball. I

think this is a huge first start. 'Cause I think it's hard. When I was a legal-aid lawyer, I represented both adults and impoverished children in foster care, adults in all kinds of issues. If this issue came into the legal-aid office where I worked, it wouldn't have helped, 'cause it wasn't in our "priorities," right. The funding that we received didn't fund us to do this kind of work, even though if we helped a parent with another issue or a child with another issue, if this issue wasn't fixed, too, they're not gonna get very far. So advocates helping children aren't trained and really just aren't doing anything on consumer-law issues, including I.D. theft. Consumer-law experts, there's a lot out there. There advocacy groups. There's LISTSERVs. They're typically not doing work on childish issues and foster-care-related issues in particular. So broader issues need to be better understood. I don't want to sound too jaded or to, you know, negative here, but I do want to, I guess, sound an air of caution. I think this is a huge problem. This is really just the beginning. And a deep concern of mine is if we -- if we lash out too quickly, right, if our knee-jerk reaction is simply to criminalize and not think about what we're doing first to the family, we may actually cause more harm to the child than help. So, foster children are the most vulnerable among us. Their families often are, too. And we all need to take a more connected and long-term view towards assessing their needs. Thank you. [Applause]

>> Lisa Schifferle: Thanks, Dan. The next half of our panel will focus a little bit more on the solutions to this, issues, and Amy Harfeld will speak next about some of the broader issues, including federal of legislative efforts.

>> Amy Harfeld: Good morning. Thanks to again to Lisa and those who hosted this panel for inviting me here and for all of you for attending and taking an interest in this issue, which has been overlooked for far too long. I'm gonna disappoint Lisa a little bit and still talk a little bit more about some of the problems and contextualizing the I.D. theft of foster youth. I'm gonna first try to put the issue of I.D. theft and credit fraud against foster youth into a little bit larger context of other issues that impact the financial security and stability of this population, because it doesn't exist in a vacuum. And then I'd like to tell you a little about, on a happier note, a wonderful piece of legislation that's been drafted and hopefully about to be introduced that helps address some of this. So, as you've already heard, when a child in foster care, in particular, is the victim of I.D. theft, it has far-reaching consequences for them. We heard from Jaleesa, who talked about how it impacted

her ability to attend graduate school and attain housing, et cetera. And we've spoken to a number of people through our work at the Children's Advocacy Institute who have talked about how broad the impact is on them. There was one young woman who we're litigating a case for in California who has so many of these issues facing her at the same time, it's really overwhelming. I'm gonna use a narrative from her as sort of a parable to explain how some of these other issues come into play. She is 19 years old and is not aged out of care yet but is about to in California. Her parents passed away while she was in foster care, and she was receiving Social Security death benefits while she was in care for the death of her parents, who paid into the system while they were alive. She never knew she was receiving those benefits. Her attorney was never told that she was receiving those benefits, and that money was never put in a special account to be used specifically for her needs. It was placed in general state funds that are used to reimburse the state for the cost of foster care, which, of course, the state is already responsible for providing. Now that she is aging out of care, or about to age out of care, she also realizes that she's been the victim three times of I.D. theft. So, as she contemplates aging out of care, she realizes there was money coming her way, some of which might have been set aside for her, to be sitting as a nest egg to help pay for some of the basic costs of transitioning from care to adulthood. There was a study in California done that indicated that the average family in California spends over \$40,000 on their children, between the ages of 18 and 25. That's just an average family and an average child. Children who were in foster care don't have anybody to cover those expenses, whether it's their security deposits, their medical insurance, their dental work they need to have done. I'm sure many of us here in this room reached out to our families for help of one nature or another, whether it was college, training, housing, medical care, et cetera. We need to remember that these, you in particular have nobody to go to to fulfill those needs. So, as this young woman is contemplating aging out, she also had to deal with the issue of her job that she had. She's been working for a few years and has been earning, pretty good money in retail and realized that a substantial portion of her earnings had been confiscated by Social Security, because children receiving certain kinds of benefits can't accumulate over a certain amount of money, or else they're determined to be ineligible for those public benefits. So, I don't know anyone of us who would advise our children against saving money for their futures, but there are some policies in place that actually serve as a disincentive for children in this situation to actually provide for themselves so they can be more independent and have something to lean on and become self-sufficient when they age out of care and not become reliant on public benefits.

Dan talked a little bit about how this intersects with poverty, and that also ties in to the "why should we care?" issue. And I know that we all here in this room care. But when we're talking to legislators and advocates about why they need to care about this, a lot of it comes down to dollars and cents. These children -- we average about -- let's say about 35,000 a year, who age out of care without having been adopted. These are hugely young people who will end up on public assistance of one sort or another. The statistics say that less than 3% will earn four-year degrees from college. By age 24, less than half of them will become employed in full-time jobs. By age 24, almost 40% of them will experience or have experienced homelessness. Many experience chronic health problems, and up to 85% have mental-health issues, which is very expensive to treat. And, of course, incarceration rates are much higher among these youth than in the general population. That amounts to a lot of money that we spend on these kids after they age out as a result of our failing to prepare them to support themselves and become financially independent. And, of course, when a child is the victim of I.D. theft, as we're talking about here today, that's an additional barrier to them achieving financial independence. Any of you who have experienced or dealt with somebody who has been the victim of I.D. theft or credit fraud -- I know that I have. I was 25, a college graduate, and it was a very daunting process to clear my name and to get my credit repaired. It took I think almost a year and a half or two years. And for me to have had the challenge that I face dealing with that, with all of the support that I had around me and resources, I unfortunately not only can imagine but know how challenging it is to to a foster youth to try to repair that themselves. I -- Let's see. Where is the fleecing report? Dan, can you just... Sorry. Thank you. I'm not gonna go into too much more into detail about the other financial-security issues that face foster youth in too much detail, 'cause I want to focus on the legislation we have in front of us, but I do want to draw your attention to a report that was released earlier this year called "The Fleecing of Foster Children: How We Confiscate Their Assets and Undermine Their Financial Security." It was published by the Children's Advocacy Institute and First Star and goes into great detail about all of the different issues that impact and compromises children's financial security. There are a lot of copies of the report out there, and there are free PDFs that anybody listening to this webcast can have access to through Lisa or the other organizers of this conference. So, let me talk a little bit about what we can do here. We've heard a lot about what the extent of the problem and specifically how it impacts foster children. We need to remember again and again, that in Washington, city of lobbyists, we need to remember how weak and how vulnerable this constituency is. Again, not only don't they

vote or pay taxes, but they don't have families to advocate them and step up for their interests. So it's especially important that all of us take responsibility, because, in fact, we are their parents -- when they're in the system and when they age out. And just as we would ask ourselves when our children turn 18 and become independent or 21 or whatever age -- It's actually closer 26 in this country, but we'll leave that alone. Just as we would ask ourselves about our own children, how are they doing now that they've left the nest, we need to ask the same question about these kids, because they have no other parents other than us, the tax payers and the responsible citizens who supposedly were entrusted with their care, to ask that after they're gone. Luckily, we do have some tremendous advocates and lawmakers who are looking into this and trying very hard to come up with solutions that are practical and youthful for this group of former foster youth. In 2009, the Foster Youth Financial Security Act was introduced in the House of Representatives. This is spearheaded by Jim Langevin out of Rhode Island, who has a great interest in this case, in this issue, and has really been very courageous and bold in bringing it to the attention of lawmakers who, quite frankly, don't usually focus on foster youth, and helping people understand how unjust the issue and impact is on this youth and actually how easy it might be to address through legislation. This bill is currently almost -- It's just about to be reintroduced, and I call on all of you here today after you hear how wonderful the bill is to do something about it and contact your legislators and advocate for cosponsorship and passage of the bill once it's introduced, as well. The Foster Youth Financial Security Act addresses I.D. theft against kids and several other issues that surround that. Number one, it ends the use of Social Security numbers as the primary identifier of foster children. There are lots of suggestions about alternatives we can use. The point is we need to stop putting kids' Social Security numbers on their I.D. cards and passing them around like candy. It requires states to review credit reports for all foster children, assist them in clearing it up before they leave care, and report on the number of kids who had red flags when they were in care. It requires that children have transition plans before they leave care. And this is so important. And I know this might sound strange to some of you who don't understand this doesn't happen, but it requires that kids actually get help obtaining driver's licenses, state I.D. cards, auto insurance, and bank accounts before they leave care. So many kids leave care without any I.D., especially children of undocumented immigrants who themselves do have legal status but never obtained proper I.D. It helps foster youth determine if they're eligible for federal benefits before they leave and provides them with information on accessing healthcare and affordable housing, which is

confusing enough to all of us, much less to a 20-year-old or 18-year-old leaving care. It also assists -- makes financial-literacy classes available for kids, as we've heard is being done in a pilot, and their foster parents, if they have foster parents. And it creates individual development accounts for youth when they age out of care with some small amount of seed money to help them pay for their most immediate needs before they age out of care. Really what this all ties into is money, as we know. For so long as our budget talks, deficit-reduction talks continue to include targeting children, vulnerable families, et cetera, and state and local child-welfare budgets are impacted and cut, there will be less and less money to invest in solving the problem when, of course, we need the opposite. So, we are very hopeful that the legislation does pass. It's actually not an expensive bill. It's revenue-neutral at this point. And if anybody -- I encourage you to take a copy of the actual bill, which is outside and can actually be accessed. Thank you. [Applause]

>> Lisa Schifferle: Thanks, Amy. And we'll move right into Howard Davidson's presentation so that we have time for questions at the end. Mr. Davidson is one of the nation's leading experts on children-law issues.

>> Howard Davidson: Thank you very much. I'm going to start with a reminder that when we talk about foster children, we're talking about children for whom we have a collective responsibility, because these are children in the care and custody of the government through no fault of their own, and they really are kids that we should all care about and be working on public policy to better protect. Let me reiterate what some -- what you've already heard, I think, about why foster children are at heightened vulnerability for identity theft. And you've heard some of these things from Lisa, Matt, and Dan, that the personal information is more accessible to a wider range of people. Misuse of their identities is far more likely to go unidentified for longer periods of time. And many children who enter the foster-care system, in fact all most all children who enter the foster-care system, are there because they've been abused or neglected. And therefore, their families -- the families from whence they come may have misused their identity before they ever enter foster care. There are over 800,000 verified victims of child abuse and neglect annually. Actually, most of them never enter the foster-care system. But these are children who may be vulnerable to identity theft, and there's been absolutely no research on the misuse of these children's identities and issue of whether we should be looking at identity theft as former child neglect, a topic that was brought

to my attention by Russell Butler as I was entering the room this morning. The... And you've already... You've heard this. Foster children generally don't have family advocates like Michelle Dennedy. You know, parents who will step up and go to the end of the earth to help correct an erroneous credit record. Kids in foster care don't have that family assistance. Child-welfare agencies usually do not look into foster children's possible credit problems, even during the transition period before emancipation. And as you've heard from the former foster youth and her story, if a youth only learns about the theft of their identity after emancipation, it can negatively affect their successful transition to adulthood. I think those of us who have worked on this issue for the last couple of years, including myself, owe a debt of gratitude to a young man by the name of Jesse Ellison. On February 7, 2009, Newsweek published a piece by this young man called "Sabotaged By the System." And I have to admit, that article for the first time -- and I'm, as was mentioned, a child advocate who's been working on legal issues related to the protection of children for well over 30 years -- and I had not really heard about this issue until I read the piece by Jesse Ellison. So, in 2009, after this piece in Newsweek, we we began to talk among advocates about this issue, and through the National Foster Care Coalition, we formed an identity theft financial security work group that studied the issue, and we came up with recommendations for federal watch agents to address these problems, most of which were incorporated in the bills that Representative Langevin had introduced that Amy talked about. So what had been the responses? Well, first of all, California was the initial leader in this way back in 2006. And there even is a proposed tweak to that legislation currently pending, I believe, in California. And then there are five other jurisdictions that have enacted legislation on the table. You actually have copies of all of these laws except for Illinois and Texas. And then you've heard about the federal bill. And then we did a piece of research at my center to look at how do child-welfare agencies themselves address this problem through their formal policies. And we only found five states among the 50 that addressed the issue in some way. Indiana, as you see on the slide, mandating that the workers assist in requesting free credit reports. That's in their child-welfare manual for Indiana. And then you have four other states that either require that information be provided or state that information should be offered to youth on protecting their identity and getting free credit reports. But where are the other 40 states that neither have legislation nor child-welfare agency policy on this issue? This is a very important oversight, and, quite frankly, we will... We aren't going to get the attention to this issue without federal leadership, whether it's legislation or, as important, the various agencies.

And it's wonderful -- I want to commend the Federal Trade Commission, the Office for Victims of Crime, the other agencies represented. And I think it's very critical that the U.S. Department of Health and Human Services be brought into that. The laws differ in terms of how they address these five states and the District of Columbia that have legislation on foster-child identity theft. They differ in terms of the age at which a first credit check is made. That most typical at age 16, but is that really too late based on what things we've heard to begin making the checks? And you see the other -- On the slide, you see the other areas of variation. Some youth are excluded from the laws' mandate that the checks be made for identity theft, and in Colorado, one of the exceptions are youth in correctional facilities. And, you know, kids in foster care are a sympathetic population. As they say, they're in government care through no fault of their own. But it may actually be the kids in the juvenile justice system who are at even higher risk of identity theft. And I'm not sure that we've look into that. But it's very interesting that Colorado explicitly excludes kids in juvenile justice facilities. But, you know, kids who are in the juvenile justice system may have family members who were involved in criminal -- may be more likely that family members are involved in criminal activity and maybe, again, at heightens vulnerability for identity theft. In only one state -- I noticed Colorado in their legislation provides immunity for those who are helping the child in making inquiries about identity theft and giving them remedial help. So I think that the five laws are interesting interesting, but they have a great deal of variation. I'm want to close with several issue and concerns. We need to know what the cost is of doing this credit checking or going beyond the three credit bureaus, as has been suggested today. What's the cost of doing that for large numbers of foster children? What percentage of inquiries are going to result in bad hits? And we've heard some statistics today. I think we need better information about foster child, and the person from California who was unable to be with us today was gonna talk about that. How difficult is it to make corrections? We've heard a lot about that. Who's gonna bear the cost? We need to be asking former foster youth what they think should be done regarding both identity checks and the broader issue of financial-literacy training. And I'm so glad to hear about the Children's Advocacy Institute and First Star project in Los Angeles. We need much more wide-spread education of youth in foster care about financial literacy. And I want to conclude with an issue that's an unintended consequence. We've heard about this in at least one state, and I also note -- has been -- has been said that in Representative Langevin's bill, there would be a prohibition on the use of Social Security numbers as a child identifier, which is the most common identifier now,

and the unintended consequences as child-welfare agencies become more concerned, more aware and concerned, of identity theft of foster children, they may be more inclined to withhold the Social Security number from the foster parents. Now, you may ask, "Well, isn't that generally a good idea to withhold the Social Security number from the foster parents?" Well, there's one area where to do so really can result in a tremendous fiscal disadvantage for the care of that child, and that is if the foster parent -- Many fo-- In many states, the foster care's monthly stipend is very inadequate to meet the total needs of the child in the foster parent's care, so foster parents put out a lot of their own money to care for children who have been placed with them, and they're entitled under law to claim that foster child as a dependent on their tax return. But what do you need when you claim a dependent on your tax return? You need their Social Security number. Many, by the way, foster parents are never informed about their ability if they are providing more than half of the cost of the care of their child to list their child as a dependent on the tax -- their foster child as dependent on their tax return. But I'm afraid that more and more are not gonna be providing the foster parents with the Social Security number that they need to file for that dependency benefit for the child. So I think one of the fixes we need to begin to talk about, is working with the internal revenue service to create a form for which a child-welfare agency or a foster parent can seek an alternative tax identification number for the child that is in in their care. And, again, I don't know if there's anybody in the audience from the IRS, but I think this is important issue for the federal agencies to be talking to the IRS. There is such a form, by the way, for adopted children. There is not such a form for foster children. So thank you very much, and we'll take questions. [Applause]

>> Bethany Case: Hi, I'm Bethany Case from the Office for Victims of Crime. I'm a visiting fellow there, and I started off my career in social work about 10 years ago. I was a child-protection investigator. So, unfortunately, I know that these issues weren't on our radar screen then, and they're not now, so there's a lot of work to be done. We have just a few minutes to maybe take a couple of questions before we go to break. Miss Foley, do you want to -- We'll take the first one right here, and then we have one in the first row.

>> Linda Foley: It's not as much a question, and I appreciate what's going on with the legislative bill. I think the one thing that's missing from there is since there are people who will take advantage of the Social Security number of foster children, we have to have a -- someone who will

advocate for them to help them change that number once they turn 18 so that anyone who's had it before then will no longer be able to affect that child.

>> Matt Cullina: That's a great point. And it's something that has been suggested, and it's been brought forth and actually presented to the Social Security Administration. What most people don't know is the Social Security Administration will allow for changing Social Security numbers. Most people feel in the identity-theft services field think it's near impossible, because if you're an identity-theft victim, it's very hard to get a new Social Security number. It's near impossible. But there's two current situations where the Social Security Administration will allow for changing Social Security numbers and issuing a new one. And that's in the case of domestic abuse. So if a person is going through a domestic-abuse situation and petitions the Social Security Administration, they will receive potentially a new Social Security number. In addition to that, adopted children. So if adopted children have come out of the system, they are eligible to receive Social Security numbers.

>> Amy Harfeld: And I just want to add one thing to that. You bring up a very good point. The child needs somebody to advocate for them. In many cases, for foster youth, that means they need an attorney. In some states in the U.S., kids get an attorney to represent them when they're a victim of child abuse or neglect in the dependency system. In many states, they don't get an attorney, or they don't have an attorney that really advocates for issues like these. I also work with the National Association of Counsel for Children, doing policy advocacy for them, and children's attorneys want to advocate on behalf of better use of these monies and them and making sure that assistance continues after the age of 18. But in order to do that, we actually need to make sure that kids have the attorney and to make sure that that attorney representation doesn't end at 18. So there is a provision in fostering connections which could extend care to the age of 21 for a lot of youth. We need to make sure the Court case stays open and that the legal advocacy continues throughout the time that the child is in foster care to give those advocates, those attorneys the ability to make sure that the issues are cleared up and addressed and that there is proper advocacy done throughout the entire duration of foster care.

>> Female Speaker: Yes. And we do it also. Not legally, but we work with them, because there is an ability to change it. If there's substantive harm and they don't leave, there will be an inability to change that problem. The other issue I had was... In kids aging out -- and, Amy, you addressed it - there is no one there for them. And that is indeed a problem. And I know in California, working with Joanne McNabb, that we've seen such a frustration about that, that they're not getting the education that they need ahead of time. So thank you for your work.

>> Bethany Case: Thank you. I think we'll take one more quick question in the front row, and then we will -- I'm sorry for everyone else -- we'll take a break.

>> Female Speaker: Yes, I'm very grateful to all of you for your expertise. The foster children's situation provides a really good place to start looking. But, as I was listening, I wrote down some other things, and other children that need this attention, too. Children of divorce, where they're not getting the support and they're not getting the attention or love of one parent. Single parents, children who have been totally abandoned, may not even be acknowledged by anybody on document. Immigrants, abuse victims, and criminal justice children, as well. So there's a whole hidden undercurrent of children that need help. And then I started to think, what common denominator could be a place to start looking for a solution? And the first -- Well, two things -- the law, and secondly, schools seem to be the place where parents or individuals who are concerned or teachers could begin to make a difference to these kids, too.

>> Bethany Case: Thank you. And we will go to break and return here at 11:15. Just remember, if you exit the building, you'll have to come back through security. You may want to stay inside.