

Your MONTHLY MONEY

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Protect Your Child from Identity Theft

Identity thieves could steal your kids' Social Security number, name and address or date of birth to apply for government benefits, such as health insurance or to open a bank account or credit card. Your child's stolen identity could also be used to rent an apartment, sign up for utilities or apply for a loan. All the while, you have no idea that your child's stolen identity is being used to rack up large amounts of unpaid debt, resulting in a poor credit history.

So, when your kid grows up and starts out on their own, he or she already faces roadblocks to approval for loans, credit cards and renting a place to live. The good news is that you can take steps to protect your child's identity and know how to spot warning signs that your child's identity has been compromised.

Child identity theft facts

Why steal a child's identity?

It's easy, and a clean credit history can be lucrative. Because a child's credit may not be checked till they're 18, thieves have a long time to open credit, buy homes and cars, or get a job.

Family members may be the culprits.

A social security card is available to close family and can be tempting if they have much debt.

A child's identity may be compromised at school.

Make sure social security numbers are required by law on any form. School-identifying numbers should also be unique and not the SSID.

Theft may not be realized for years.

SSID numbers may only be checked once a child applies for a driving permit or a job. Almost 15 years may have gone by with debt racking up. Poor credit is created when applying for student loans or auto loans.

Preventing child identity theft

Ask questions before providing your child's Social Security number

The FTC recommends asking a few questions first if your kid's school or another business or organization says it needs your child's Social Security number for its records. Before simply handing over the number, which can be stolen for identity theft purposes, inquire further about why they need the Social Security number.

Also, ask how they will protect the number from misuse or theft. Ask if the school can use a different identifier instead or just the last four digits to identify your child.

Keep your child's documents in a safe place.

Store documents that contain your child's personal information, such as their Social Security card or medical bills, in a secure place, such as a locked file cabinet. "When you decide to get rid of those documents, shred them before you throw them away. If you don't have a shredder, look for a local shred day," advises the FTC.

Delete personal information from devices.

The FTC recommends deleting all personal information about your child and your own from the hard drive on your computer, phone, or tablet before disposing of devices. That way, the sensitive information can't be used by an identity thief.

Before deleting, transfer the files to a new computer or save them to the cloud or an external storage device such as a USB flash drive. If keeping to the cloud, ensure you find the level of privacy and security offered.

Watch for warning signs.

Keep an eye out for warning signs that your child's personal information is being used by someone else. Warning signs include:

- You're denied health care coverage, nutrition assistance, or other government benefits because someone else is already receiving those benefits under your child's name.
- You receive collection calls for a bill under your child's name for an account you didn't open for the child.
- The IRS sends a letter saying that your child owes income taxes. This may happen if someone used your child's Social Security number on tax forms for a job.
- You're denied a student loan because of your child's bad credit. This can happen when someone else opens a credit card, cell phone, utility, or other account and then doesn't pay the bills.

Generally, a child under 16 won't have a credit report – unless that child's personal information is being used by someone else to commit identity theft fraud. The FTC recommends contacting the three major credit bureaus – TransUnion, Experian, and Equifax – and asking for a manual search for your child's Social Security number to see if a credit report turns up. When you call, you may have to provide credentials such as your driver's license or other government-issued I.D., proof of address, birth certificate and/or your child's Social Security card.

When your child turns 16, also check for a credit report under his or her name. That way, you'll have time to correct any identity theft fallout by the time they turn 18 and head to college or set out on their own.

In some states, the law allows you (parents, legal guardians, or other representatives of minors) to request the credit reporting agencies to freeze a child's credit. These states are Alaska, Arizona, California, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Michigan, New York, North Carolina, Ohio, Oregon, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Washington and Wisconsin.