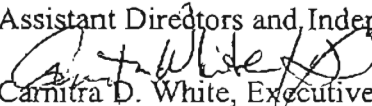


Department of Human Resources  
Social Services Administration  
311 W. Saratoga Street  
Baltimore, MD 21201

DATE: August 15, 2012

POLICY DIRECTIVE: SSA# 13-7  
(Supersedes Policy SSA #12-25)

TO: Directors, Local Departments of Social Services,  
Assistant Directors and Independent Living Coordinators

FROM:   
Carnitra D. White, Executive Director  
Social Services Administration

RE: Identity Theft, Credit Report and Repair for Youth

PROGRAMS AFFECTED: Out-of-Home Placement Services

ORIGINATION OFFICE: Out-of-Home Placement

ACTION REQUIRED OF: All Local Departments

ACTION DUE DATE: Effective October 1, 2012

CONTACT PERSON: Jill Taylor, Manager  
Out-of-Home Services/Permanency  
(410)-767-7695  
[jtaylor3@dhr.state.md.us](mailto:jtaylor3@dhr.state.md.us)

## **PURPOSE**

The purpose of this policy directive is to establish the requirements for providing Identity Theft Prevention, Credit Report Services, and assistance with Credit Repair for youth age 16 and older who are committed to the local departments of social services. This policy directive provides instructions to local departments of social services to obtain a foster youths' credit report with each of the three major Credit Reporting Agencies annually, review the three reports with the youth, and if necessary, correct any erroneous information.

## **BACKGROUND**

In October 1, 2011, the "Child and Family Services Improvement and Innovation Act" (Public Law (P.L.) 112-34) added an entirely new section to 42 U.S.C 675(5)(I) concerning foster youth identity theft.

A credit report is a record of a person's credit activities. It lists any credit accounts or loans a person has, the balances, and how regularly payments are made, as well as identifying information. Nationwide Credit Reporting Agencies (CRAs) are private companies that sell the information on credit reports to creditors, insurers, employers and other businesses that use it to evaluate a person's applications for credit, insurance, employment or renting a home. There are three nationwide CRAs (TransUnion, Equifax, and Experian).

Minor children should not generally have a credit report, as children do not have the legal capacity to sign a contract or apply for credit on their own. Most children and youth do not have credit reports. If a credit report does exist for a person younger than 18, whether in foster care or not, it may be due to error, fraud or identity theft. The credit reporting agencies will not knowingly disclose credit report information for a minor, except to the parent, guardian or custodian of the child.

Therefore, in most cases, your agency will, when requesting a credit report for a youth in foster care, simply be confirming that such a report does not exist. However, when a report does exist for a youth, it indicates that there is likely a need to correct information and take action to protect the identity and future credit worthiness of the youth.

Child identity theft happens when someone uses a minor's personal information to commit fraud. A thief may steal and use a child's information to get a job, government benefits, medical care, utilities, car loans or a mortgage.

## **ACTION STEPS**

In managing the monitoring of annual credit reports for youth age 16-20, the following steps shall be completed:

- Designate at least one staff person as responsible for the processing of the credit reports.

- The credit report requests will be batched quarterly, based on dates of birth for the youth age 16-20.
- The batched credit report requests will be sent to all three major credit reporting agencies for youth with dates of birth in the following quarters:
  1. January-March
  2. April-June
  3. June-September
  4. October-December
- A spread sheet with the list youth for whom credit reports have been requested, the date of the request, date of response, result of response, etc., will be maintained.
- A list of all youth for whom a credit report is being requested must be provided to SSA.
- Information from the youth's credit reports will be reviewed during the Transition Plan meeting.

The Credit Reporting Agencies (CRAs) each have individualized processes that are required for this action to take place. A copy of a court order committing the child to the agency, and therefore establishing the authority for requesting the credit report, is required by each of the CRAs. The court order should be redacted of any information of a confidential nature regarding the case, and only establish that the agency has custody of the child. The processes for working with Experian, (Attachment A), TransUnion, (Attachment B) and Equifax, (Attachment C), the three National Credit Reporting Agencies, are attached.

If you discover a foster child is a victim of identity theft, take the following steps on the youth's behalf to prevent further harm.

- Contact all three of the credit reporting companies; explain that the youth is a minor and cannot legally enter into any type of contract. Send the credit reporting companies a copy of the child's birth certificate or other documentation of age and the redacted court order establishing that the agency has the authority to act on behalf of the youth.
- Call every company where an account was fraudulently opened or misused; contact the business and explain that the individual that they provided credit to was a minor. Explain that the company is to close the fraudulent account and flag the account to show it is a result of identity theft. Follow up with each business in writing.
- If the identity theft issue is not resolved using the method listed above, then caseworkers should send the case to SSA, along with documentation of their efforts to resolve the matter. SSA will then review the documentation and decide whether the matter needs to be referred to the Consumer Protection Division of the Maryland Attorney General's office.

## **MARYLAND YOUTH TRANSITION PLAN DOCUMENTATION**

When developing the Money Management part of the transition plan with the youth, the caseworker shall:

- List the names of the credit bureaus the youth obtained his/her consumer report from and the date received.
- List the date the caseworker and youth discussed the findings of the credit report.
- If any discrepancies were found, document what was done to correct the error.

### **MD CHESSIE**

- The Maryland Transition Plan is located on the SSANet, Out-of-Home Placement under the Forms Tab.
- The Maryland Transition Plan document is to be placed in the file cabinet.
- A hard copy of the Maryland Transition Plan signature page with the signatures and date signed should be kept in the record.