



Identification Security Brief

Keeping Identities Safe®
We're working to protect the identity of every American!™

Child Identity Theft: A Problem You Can Prevent!

According to the Federal Trade Commission, more than 490,000 identity theft complaints were filed in 2015. While adult identity theft is common, a child's identity is 51 times more likely to be stolen. Clearly, identity theft is one of the most widespread and formidable threats to American adults and children. Professional identity thieves view children as perfect targets. The proliferation of personal identity information in our society suggests that identity theft will remain a concern to parents.

Unless parents are careful, identity documents may be easily obtained by identity thieves. The most common crimes using child identities are financial. In addition, hardened criminals are stealing child identities to buy guns despite prior felony convictions, or to conduct employment fraud.



A 5-year-old girl traveled 80 miles to her job at a steak restaurant...

An 8-year-old boy owned a cleaning company and worked as a prep cook at two upscale restaurants...

An 11-year-old boy worked for an express air freight company...

It wasn't child labor, it was FRAUD!

Banks are supposed to loan money and issue credit cards only to adults (18+), so criminals alter stolen children's age and address information to obtain loans and credit cards. With the child's name and Social Security Number a crook can commit financial fraud with little fear of being caught. For when banks or law enforcement pursue a financial crime, and they find a child, they realize they are at a dead end. These cases can span across state lines, and be extremely difficult to investigate. Often this leaves children with no form of recourse, and a pile of debt.

Federal investigators have found many other schemes that identity thieves engage in with stolen children's information. A crook will commit tax refund fraud using a child's Social Security Number, use obtained identities to regain driving privileges lost due to infractions or DUI's, all while hiding behind a child's name. In many circumstances, these thieves tap into every criminal opportunity. For example, one Indiana identity thief was convicted of having fraudulent credit lines using the personal information of over 100 different people.

Why do Identity Thieves Target Children?

Today's criminals seek other people's identities for fraudulent purposes. That's not new. What is new is that now they seek child identities in preference to adult identities, because many more adult Americans are safeguarding personal information precisely to prevent ID theft. And children are not in a position to be aware of the risk, or even understand the consequences. Unfortunately, too many schools, businesses, health centers have not taken sufficient steps to protect customer information.

What will identity thieves do Next?

These criminals can use your child's identity to:

- Apply for credit cards
- Open bank accounts
- Apply for employment
- Assume an alias when they commit crimes



While the above examples are all actions that a criminal can undertake with a child's identity, the scary part is what **else** they can do. Career identity thieves are relentless, and over the years the tactics, schemes, and methods used to steal children's information have changed; becoming increasingly hard to detect. Parents ought to exercise extreme caution to protect their children, as the more vigilant they are, the less likely their child will experience some of the horror stories that others have.

Identity Theft: Dead or Alive

Loie Hammond was diagnosed at age 1 with a rare, incurable nervous system disorder called metachromatic leukodystrophy, or MLD. Unfortunately at the age of three and a half, she passed away, leaving her family and friends heartbroken. A few months later, when her still-grieving parents had their accountant file their yearly taxes, they found out even more bad news.

The family's tax return was rejected, due to a scammer having already filed a tax return under their deceased toddler's name. As if losing their daughter hadn't been traumatic enough, the Hammond's lost thousands of dollars due to the scammer, but he wasn't done with their family.

The following year, when the family's accountant once again filed the family's tax return, a feeling of deja-vu permeated through their home. Once again, the scammer had taken the tax refund using the identity of Loie Hammond.

Identity thieves are determined to accomplish their goals, and are clearly indifferent as to who they are affecting, what the consequences of their actions are, or even whether the person they are imitating is dead or alive.

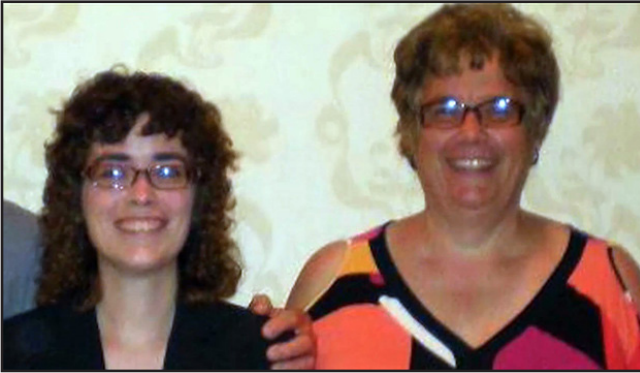
ID Safety is part
of Child Safety

Federal Trade Commission. "Consumer Sentinel Network Complaint Categories." FTC.GOV, Feb. 2016. Web.

Power, Richard. "51 Times More Likely..." Child Identity Theft, Carnegie Mellon Cylab, 2011.

Zimmermann, Stephanie, and The Abc News Fixer. "Tax Day Scam Artists Steal Dead Child's Identity." ABC News. ABC News Network, Apr. 2015. Web.

Identity Theft: Home Edition



Pamela Betz (Right) and her daughter Axton Betz Hamilton (Left) are pictured enjoying a family event. Unbeknownst to Axton, her mother had been stealing and profiting off the identities of her close-knit family for almost two decades. (photo courtesy of CBSNews)

No one expects their **mother** to steal from them; let alone from their entire family.

To believe that you will “see identity thieves coming” is optimistic, but Axton Betz-Hamilton, a childhood victim of identity theft urges individuals to be proactive.

Her identity theft story spans twenty years, and shocked everyone around her. It began in 1993, and Betz-Hamilton's grandfather was the first target; becoming engrossed in debt by an unknown identity thief.

Next was her father, and before long, she was next. Betz-Hamilton realized that she had also been a victim of identity theft when she was only 19, moving into an off campus apartment, and suddenly informed that she needs to pay extra deposits due to bad credit. Assuming this was due to a few small student loans, she requested a copy of her credit history, but instead of a one-page report she received a large manila envelope stuffed with bad news. The report ended up being ten pages in length, and a resulting score of 380. Despite arguing with credit card companies and filing a police report, she was informed “her story didn’t add up”. Axton Betz-Hamilton revealed, “I had to pay higher interest rates for my car loan and the credit cards I legitimately obtained. My first car loan was 18.23% and my first credit card had a 29.9% APR. I’ve had to pay deposits for electric, phone and cable.”

At this point the family was enraged, believing that whoever had stolen their identities had stolen hers as well, but the family was unaware that the criminal was living amongst them. When Pamela Betz died of cancer in 2013, the details of her deception became known. She had stolen her daughter’s identity. She had stolen her husband’s identity. She had compromised her father-in-law for around \$1,500. And to no surprise, she had high amounts of debt herself.

This discovery may not have ever happened without Betz-Hamilton’s father finding a blue plastic file-box in one of the outbuildings on their farm. Inside, there was a 12-year-old credit card statement. The account was in his daughter Axton’s name, and unsurprisingly it was overdue. While her father initially believed his daughter had been simply irresponsible, he later discovered that the account had a card in his wife’s name.

After going through old backpacks and purses, the paper-trail of Pamela Betz was finally discovered. For years the family had been terrorized by their loving mother figure, and yet she remained silent and unwilling to do the right thing. Stories such as this illustrate the ongoing problem of identity theft, and how preventative measures ought to be used to curb future efforts by criminals.

Kennedy, Bruce. “When Identity Theft Is a Family Affair.” CBSNews. CBS Moneywatch, Apr. 2014. Web.

Levin, Adam. “I Ate Thanksgiving Dinner With My Identity Thief for 19 Years.” The Huffington Post. TheHuffingtonPost.com, Nov. 2014. Web.

What can be the Consequences of Identity Theft?

Identity theft is crime that often remains undiscovered for many years. The deception can go on, and on, without any bells going off. However, by the time they enter adulthood, victims can be left with tremendous debt that they have no knowledge of. Maxed out credit cards and defaulted loans are no joke, and once identity fraud is discovered, it's time consuming and costly to cure it.

A child whose identity was stolen will likely find a ruined credit history by age 18 and be:

- Denied student loans upon application;
- Unable to obtain credit cards or auto loans;
- Contacted by police for past crimes committed by the identity thief;
- Forced to spend years trying to clean up public records due to fraud.

Why Get an Enhanced ID for your Child?

A Washington Department of Licensing Enhanced Identification card **helps protect your child from criminals** attempting to obtain an ID card in your child's name. **But did you know** that an Enhanced Child Identification card is also accepted at land and sea border crossings into the United States, from Canada, Mexico, and some Caribbean countries? It can be used instead of a passport as an IDENTITY and CITIZENSHIP document at these crossings, as well as for air travel within the U.S. (For more information please visit <http://www.dol.wa.gov/driverslicense/edlget.html>)

While only an option for Washington State residents who are U.S. citizens, parents are encouraged to obtain an Enhanced Child ID card for their child for faster identification checks when traveling with a parent or guardian by train,

What Else Can Parents do to Stop Child Identity Theft?

Enhanced IDs help, **You Do the Rest.** Remember to STOP:

Secure a child's legal documents which state agencies rely on as proof of names and biographical information, especially the child's birth certificate at home or in a safe deposit box.

Teach a child to never give out his/her personal information without the parent or legal guardian's consent.

Obtain a state issued ID card for your child. Get the child's full legal name and other biographical information into the state department of licensing record system along with correct and complete parents'/guardians' names and addresses.

Protect the child's identity from long term harm by being attentive to credit offers or mail solicitations addressed to the child as though an adult. The awareness should be extended to the child's use of the internet, especially to on-line programs that encourage children to share biographical information.

**Revised:
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Keeping IDentities Safe® is a 501(c)(3) non-partisan, not-for-profit, crime prevention educational charity. We are 100% funded by individual donor contributions and foundation grants. Our slogan, "Working to protect the identity of every American" embodies our commitment to higher standards for both government and private entities that issue identity credentials, especially state agencies that issue driver's licenses and ID cards. In addition to operating youth oriented programs, we undertake research on how people can take steps protect themselves against identity fraud. We provide research results and educational programs to the Boys & Girls Clubs, and seek cooperation for program from state government agencies.