

AllClear ID

## Child Identity Theft

Overview of Issue, Report,  
Results & Recommendations



AllClear ID ([www.allclearid.com](http://www.allclearid.com)) is an identity protection company based in Austin, Texas, and is powered by Debix, a leader in identity protection technology. Our leading technology and customer service have protected millions of consumers, and our patented technology plus deep security expertise provide the best identity protection products available. AllClear ID is privately held with headquarters in Austin, Texas, and has been featured on the TODAY show, in the New York Times, Wall St. Journal, and on the Clark Howard Show.

Bo Holland is the Founder & CEO of AllClear ID with deep expertise in Identity theft prevention, security, and technology

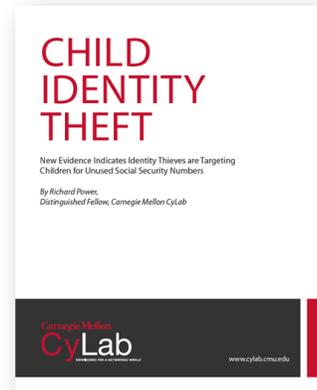
Jamie May is the Chief investigator and leads a team of investigators who work with our customers every day to help customers who have identity theft

This presentation is an overview of research we did with Carnegie Mellon CyLab on the issue of Child Identity Theft, what we learned, and tips for parents to protect their kids.

## Child ID Theft Report: AllClear ID & Carnegie Mellon

AllClear ID

- **Research report, not a survey**
- **Based on 42,000 Child Identity Scans**
- **Within the same population are 800,000+ adults**
  - Adult rate of ID theft low at 0.2% - below national average of 1%\*
- **Report produced by Carnegie Mellon CyLab, authored by Distinguished Fellow Richard Power**
- **Released in April 2011**



\*Source: Javelin Research

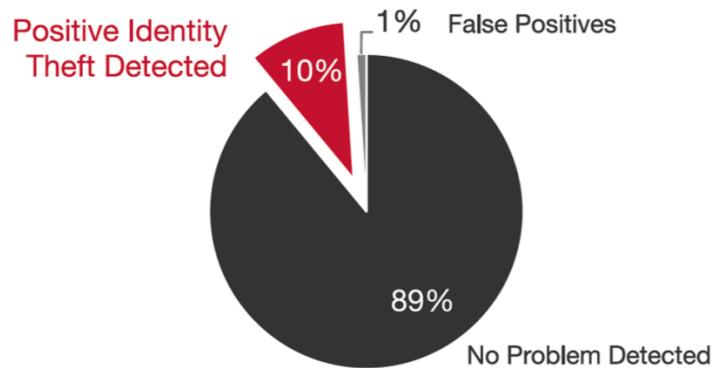
Here's some background on the research we did with Carnegie Mellon CyLab:

- It's a research report based on data from our US customers, not a survey
- Based on 42,000 Child Identity Scans
- Within the same population are 800,000+ adults
  - Adult rate of ID theft low at 0.2% - below national average of 1%\*
- Report produced by Carnegie Mellon CyLab, authored by Distinguished Fellow Richard Power
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Available for free at: <https://www.allclearid.com/resources/research>

After years of signing up children and scanning children for identity theft, we partnered with Carnegie Mellon CyLab to analyze and publish research based on over 42,000 scans of children.

## 1 in 10 Children were Victims of Identity Theft

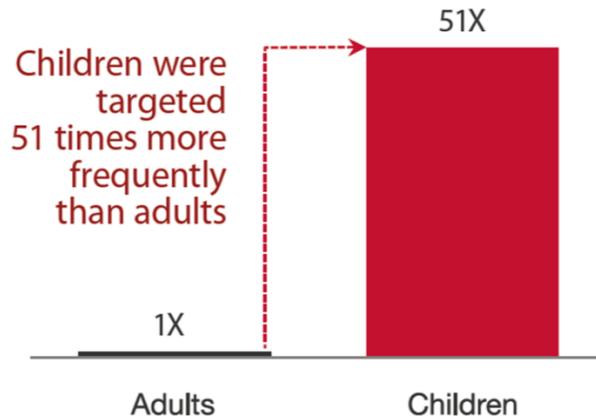


**So – what were the results? Over 10% of the children scanned from our data were victims of identity theft.**

To put this into perspective with other child issues that are big topics with parents today:

- Cyber bullying is 9% (Source: FBI)
- Sexual victimization of boys 10% (Source: NCMEC)
- Sexual victimization of girls 20% (Source: NCMEC)

## Children Victimized 51 Times More Often than Adults



This 10% rate of child ID theft equates to children being victimized by identity thieves at a rate 51 times greater than adults.

## Who Are the Victims?

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- **Youngest 5 Months Old**
- **54% under the age of 12**
- **Largest Debt: \$725,000**



### **Some of the victim's stories will amaze and surprise you:**

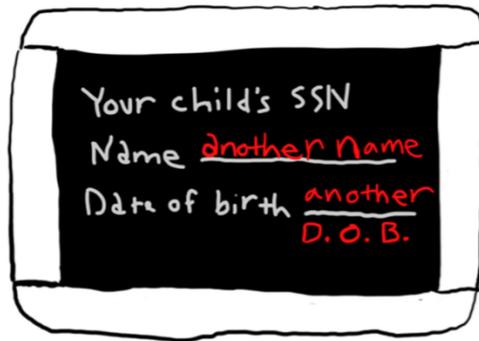
- Youngest Only 5 Months Old
- 54% Under the Age of 12
- Largest Debt: \$725,000
- 2 Year old in Bankruptcy
- 9 Year old in Debt Collections
- Cases with multiple suspects attached to a child's SSN – meaning that identity has been passed around by many for the purposes of employment, bills, etc
- Loan and credit accounts the most common use of a child's ID, many children had multiple accounts attached to their identity

**You can find more stories at the end of the research report and on our blog at [www.allclearid.com/blog/tag/child-identity-theft-protection](http://www.allclearid.com/blog/tag/child-identity-theft-protection)**

## The Attack on Children is Unique

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**ID Thieves use a child's SSN with a different name 99% of the time**



**Child  
identity  
theft?**



See Educational Video at [www.AllClearID.com/child](http://www.AllClearID.com/child)

**You may be wondering how and why this happens to children at such an alarming rate. Child ID theft is a unique and different crime than adult ID theft.** Most children are issued Social Security numbers when they're born or at a very young age. But, children don't need to use their Social Security number until they're older, many not until they're 18.

In the meantime, a thief can take a stolen Social Security number, and attach a different name to it to commit ID fraud for years. In fact ID thieves use children's Social Security numbers with DIFFERENT names 99% of the time according to our data.

Employers, banks, retailers, and other organizations processing credit and employment applications expect to see new Social Security numbers entering the system each day as children grow up and take normal life steps: open lines of credit, apply for a job, apartment, mobile phone, student loans, a car...the list goes on. Unfortunately, thieves use the same steps recommended to children when first establishing themselves: ID thieves start with something small, like a cell phone account, and begin to build a fraudulent history with the stolen identity.

Because Social Security numbers were designed to track benefits, not identities, there is no centralized system to verify what name and birthdate rightfully own a Social Security number when it enters the system for the first time. Child ID theft is almost the perfect crime.

So, what tools should parents do? First, let's see what advice parents are currently given.

Also, you can watch a short video on "How Child ID Theft Happens" at <https://www.allclearid.com/child> or on You Tube at <http://youtu.be/GrUPiOfXfyU>

## AllClear ID Follow Up Findings (Presented to FTC)

AllClear ID

### Common Recommendation:

**“Parents, check your child’s credit report”**

### Testing this Recommendation:

1. 381 children with confirmed cases of identity theft
2. Ran credit reports with those children's Name + DOB + SSN
3. Only 4 out of 381 cases detected by credit reports = 1% of Child Identity Theft cases

### **Regular Credit Reports Cannot Accurately Detect Child ID Theft**

Upon release of our Child Identity Theft Report with Carnegie Mellon, it received great attention and we were so happy that this issue was becoming more visible. However, the #1 recommendation from the media was for parents to check their child’s credit report through traditional methods.

So, we tested the most common recommendation and presented these results at the FTC Stolen Futures forum in July 2011:

1. Took 381 children with confirmed cases of identity theft
2. We ran traditional credit reports for the children’s Name + DOB + SSN
3. Only 4 out of 381 cases of confirmed fraud were detected by the credit reports
4. Credit Reports only Detected 1% of Child Identity Theft! And the only case detected were ones where the thief had used the child’s real name and DOB

**Why is this happening? Credit Reports check to match Name + DOB + SSN and report back exact matches only; overlooking cases where a child’s SSN is attached to a different name and Date of Birth.**

This finding shows that Regular Credit Reports Cannot Accurately Detect Child ID Theft.



**How Credit Reports work:**

- When you enter your child’s information to check to see if they have an open credit file, you enter their name, Social Security number, and Date of Birth
- When the records are checked, the only results reported back include records that exactly match all 3 pieces of data entered
- This means that if an ID theft takes your child’s SSN, but uses a different name and/or date of birth, a credit report will report that no file or issues were found attached to your child’s ID
- This result can give parents a false sense of security that their child’s identity is clear when in fact, it is not, as these reports overlook cases where a child’s Social Security number is attached to a different name and Date of Birth

**How ChildScan works:**

- ChildScan from AllClear ID is the tool used to gather data for the study with Carnegie Mellon
- ChildScan checks for ALL records attached to a child’s Social Security number, regardless of name or birthday
- This scan looks across credit, employment, criminal and medical records, and reports back ALL files that contain a child’s Social Security number, including ones that have a different name and/or date of birth attached to them
- This is an accurate picture of the status of a child’s identity, and allows parents to have peace of mind that their child’s identity is clear, or if not, take steps to fix the damage before it affects their child’s future

## What Can Parents Do to Protect their Children?

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Source	Product	Records Scanned	Cost	Repair Included
AllClear ID and TransUnion	ChildScan Report	<ul style="list-style-type: none"><li>• Credit records</li><li>• Criminal records</li><li>• Medical accounts</li><li>• Employment records</li></ul>	Free	Free
Credit Bureaus	Manual SSN Search (not a standard product)	<ul style="list-style-type: none"><li>• Credit records</li></ul>	TBD	TBD

We also want to tell you about as many options as we can to detect child ID theft so you, your customers, friends and family can make the best decision for your kids.

- AllClear ID & TransUnion have partnered to offer all families access to the same tool we used to for the data in the Carnegie Mellon report, ChildScan, and now we've made this tool available for free at [www.allclearid.com/child](http://www.allclearid.com/child)**
  - AllClear ID ChildScan reviews all records including credit records, criminal records, employment history for any names and records associated with your child's SSN
  - You will get the results within 10 business days
  - In addition, if we find any activity, you will be alerted and our team of Investigators will manage the repair process for FREE until your child's identity is fully restored
  - The free ChildScan is absolutely free with no strings attached: We are able to offer this for free because of the support of our partner TransUnion. Also, we have a premium product that many families choose to sign up for called AllClear ID Pro for ongoing monitoring.
- 2. Request a "manual search" of your child's credit records from the credit bureaus.**
  - This method is recommended by consumer advocates
  - The request should state that you would like to look for all accounts containing your child's SSN, regardless of the name attached to it
  - Because this is not a standard process or product offering, our experience is that some parents have been successful, some not, using this method
  - We suggest you contact the credit bureaus for more information and to understand more about this request

## Tips for Parents to Detect & Prevent Child ID Theft

AllClear ID

- **Watch for mail in your child's name**
- **Teach your kids about online safety**
- **Don't give away your child's information if you don't have to**
- **Check your child's identity early – don't wait until it's too late**

### Jamie May, Chief Investigator at AllClear ID, Tips for Parents:

- **Watch for mail in your child's name:** Pre-approved credit offers or other unsolicited financial offers are a key indicator that your child may have an open credit file
- **Teach your children about privacy online:** Children begin using the internet at a very early age. It is important that parents actively teach children how to responsibly share and manage information online. Ensure that your children always ask permission before submitting personal information online, and always explain why they should or should not disclose the information. Also, make sure they know not to open emails from people they do not know. By doing so, you can ensure that your children grow to be responsible with their information as teenagers and young adults.
- **Don't give away your child's information if you don't have to:** You will receive countless requests for your child's SSN on anything from soccer registration to medical forms. Always ask why the SSN is needed; often times you'll find that the information is unnecessary. If so, don't disclose the information. Additionally, be sure to tell your older children not to freely provide their SSN on forms. When the time comes to apply for their first jobs, applications will frequently ask for your child's SSN, only to be left in an unsecure location. Tell your child it is ok not to provide this information until they are actually hired. In all cases where this information is required don't be afraid to question how it will be stored and protected.
- **Check your child's identity early – don't wait until it's too late:** Parents need to check their children as early as possible, complicated cases can take many years to resolve. Several cases of child identity theft have resulted in children unable to secure college loans and internships, delaying their future plans, and costing them time and huge opportunities

For more information visit: <https://www.allclearid.com/blog/jamies-top-3-child-id-tips>

## Resources

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- Questions, comments, feedback please email [hello@allclearid.com](mailto:hello@allclearid.com)
- Child ID Theft Research: [www.allclearid.com/resources/research](http://www.allclearid.com/resources/research)
- Free ChildScan: [www.allclearid.com/child](http://www.allclearid.com/child)
- Identity Theft Resource Center Child ID Theft Report:  
[www.idtheftcenter.org/artman2/publish/headlines/My\\_Free\\_ChildScan.shtml](http://www.idtheftcenter.org/artman2/publish/headlines/My_Free_ChildScan.shtml)
- How Child ID Theft Happens video: <http://youtu.be/GrUPjOfXfyU>
- Protect Your Identity Week: [www.protectyouridnow.org](http://www.protectyouridnow.org)
- Protect Your Identity Week contest: [www.facebook.com/AllClearID](http://www.facebook.com/AllClearID)

- Questions, comments, feedback please email [hello@allclearid.com](mailto:hello@allclearid.com)
- Child ID Theft Research: [www.allclearid.com/resources/research](http://www.allclearid.com/resources/research)
- Free ChildScan: [www.allclearid.com/child](http://www.allclearid.com/child)
- Identity Theft Resource Center Child ID Theft Report:  
[www.idtheftcenter.org/artman2/publish/headlines/My\\_Free\\_ChildScan.shtml](http://www.idtheftcenter.org/artman2/publish/headlines/My_Free_ChildScan.shtml)
- How Child ID Theft Happens video: <http://youtu.be/GrUPjOfXfyU>
- Protect Your Identity Week: [www.protectyouridnow.org](http://www.protectyouridnow.org)
- Protect Your Identity Week contest: [www.facebook.com/AllClearID](http://www.facebook.com/AllClearID)