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## The Unknown Danger Of Child Identity Theft

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*Steve Weisman writes about white-collar crime.*

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Mother and daughter GETTY

Summer vacation is over and children are back to school. Of all the concerns parents have at the start of the new school year, few probably think about the danger of their children becoming victims of identity theft.

Child identity theft is a huge problem. According to Experian Vice President Michael Bruemmer, 25% of minors will have their identities stolen before they turn 18 years old. Thieves steal the identity of a child and then run up large debts using the minor's credit. The child generally does not become aware of the identity theft until late teenage years when trying to apply for things like a car loan or financial aid for college.

A study by the Carnegie Mellon CyLab concluded that children are more than 51 times more likely to become a victim of identity theft than adults. Among the victims described in the study was a 17-year-old girl from Arizona whose identity was stolen and used to run up more than \$725,000 in debt using her Social Security number.

According to the cybersecurity firm Emsisoft, ransomware attacks and hacking of K-12 school systems have increased dramatically in the last year. In 2023, the Minneapolis Public School District was a victim of a ransomware attack and when the district refused to pay the ransom, the hacker published the data of 200,000 students including their Social Security numbers online, making it available to scammers and identity thieves

Children are also the most common victims of synthetic identity theft. While not as familiar a term as identity theft, synthetic identity theft poses a significant threat to many people, particularly children.

Synthetic identity theft occurs when a criminal takes information from a variety of sources to create a new identity to take out loans, purchase goods and services, or fraudulently obtain credit cards. Synthetic identity thieves combine real and fake information to form a new fictional person. They may use your child's Social Security number and combine it with the name, address and phone number of someone else. The Federal Reserve reported that synthetic identity theft is the fastest growing type of identity theft. Children are the most common victims of synthetic identity theft and it is often many years before the problem is discovered the Federal Reserve adds.

In synthetic identity theft, criminals build the credit score of the fictional person. For instance, they have people use credit cards obtained with the synthetic identity and make regular payments until the credit score of the new fictional person is high enough for the ultimate payoff, which is referred to as the bust-out. In the bust-out phase, the identity thief uses the new synthetic identity to either make large purchases or take out big loans that are never paid back. Some thieves will take years to build the synthetic identity theft credit score by making payments on cell phone accounts, car loans and more.

If you or your children have become a victim of synthetic identity theft, notify each of the three credit reporting agencies — Equifax, Experian and TransUnion — of the crime and ask them to investigate and remove the false information from your sub-files.

Parents also should, as much as possible, try to limit the places that have their child's Social Security number. Become familiar with the Family Educational Rights Privacy Act, which helps you

protect the privacy of your child's school records and enables you to opt out of information sharing by the school with third parties.

You also should freeze the credit reports of your children. Until recently there was no national law that allowed the credit reports of children to be frozen, but in the wake of the major Equifax data breach, Congress passed a law in 2018 that now permits children's credit reports to be frozen and unfrozen for free.

Here are the links to information about how to freeze your child's credit reports at each of the three major credit reporting agencies: [TransUnion](#), [Experian](#) and [Equifax](#).

While freezing an adult's credit reports at each of the three credit reporting agencies is a relatively simple process that can be done quickly online, freezing a child's credit report is more complicated. Parents are required to submit hard copies of documents such as the child's Social Security card and birth certificate by mail to each of the three agencies.

Recently, Senators Maggie Hassan (D-N.H.) and John Cornyn (R-Texas) filed a bill in Congress titled the Credit Freeze for Newborns Act, which — if enacted into law — would dramatically simplify the process for parents to freeze their children's credit. The bill also would require the Social Security Administration to notify parents about how to freeze their children's credit when issuing Social Security numbers for minors.

But even after freezing your children's credit reports, your work isn't done. It is also important to monitor their credit reports regularly for indications of identity theft. Prior to 2020 the three major credit reporting agencies allowed people to get one free copy of their credit reports annually. Then during the COVID-19 pandemic, they temporarily changed their rules to allow people to get free copies of their credit reports weekly. In 2023, the credit reporting agencies made the temporary rule for free weekly credit reports permanent.

When ordering free credit reports it is important to make sure you are ordering from the official website, [annualcreditreport.com](https://annualcreditreport.com). Some scammers have websites that appear to offer free credit reports, but if you read the fine print you're signing up for a costly and unnecessary service.



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