


To: DCF Area Administrators
Child Placing Agency Directors
Child Welfare Agency Directors
County Departments of Community Programs Directors
County Departments of Human Services Directors
County Departments of Social Services Directors
Group Home Providers
Tribal Social Service/Indian Child Welfare Directors
Private Child Placing Agencies
Residential Care Center Providers
Shelter Care Providers
Tribal Chairpersons

From: Fredi-Ellen Bove 
Administrator

Re: Identity Theft and Credit Preservation Requirement for Youth in Out-of-Home Care (OHC)

PURPOSE

This numbered memo provides direction regarding the federal Child and Family Services Improvement and Innovation Act requirement that each child in foster care under the responsibility of the State or tribal child welfare agencies, who has attained 16 years of age, receives a copy of any consumer report pertaining to the child, each year, until the child is discharged from out-of-home care; and receives assistance in interpreting and resolving any inaccuracies in the report (Credit Reports for Youth in Foster Care: PL 112-34).

BACKGROUND

Children and youth in a court ordered out-of-home care (OHC) placement are particularly vulnerable to identity theft because their personal identifying information is frequently shared with multiple agencies and individuals, making it less protected and more readily accessible to identity thieves. Unfortunately, identity theft by parents, relatives and caregivers also occurs. The misuse of the child's identity may not be discovered until the youth exits the foster care system and applies for a cell phone, job, student loan or apartment. Long-term implications for youth include debt that was not created by them, credit score problems, difficulty obtaining credit, loans and apartment rental, as well as the potential for civil judgments against the youth for delinquent accounts.

Building and maintaining credit is vital for a successful transition from foster care to adulthood. Information on credit reports is used to evaluate applications for credit, employment, insurance and rentals. A credit report typically begins when an individual's first credit card is opened. Minors do not have the legal capacity to sign contracts for any purpose. Therefore, if a credit report for a minor does exist, it is likely due to error, fraud or identity theft. Currently, there are no regulations requiring credit issuers to verify the age of an applicant; this is further complicated by on-line credit card application processes where age, if required to be documented, is taken at face value as being correct and legal. The credit report associated with the youth may contain errors in the identifying information, such as the date of birth or address. For example, an identity thief may use the child's Social Security number, but his own date of birth and address. Therefore, monitoring credit reports is one of the best ways to discover if identity theft has occurred.

Obtaining a Credit Report

Under the Fair Credit Reporting Act (FCRA), all individuals qualify for a free credit report annually from each of the major credit reporting agencies (CRAs). However, the common methods to obtain such reports cannot be easily used for a minor child under the care of the DCF and county child welfare agencies. To assist counties in carrying out this function, DCF is establishing data-sharing agreements with each of the CRAs, allowing requests and results to be shared electronically between DCF and the CRAs for all children and youth in OHC, annually. This will eliminate the need for CW agencies to obtain consents or court orders in order to carry out the requirement with each of the three CRAs via the postal service.

Remediating a Credit Report

If a credit report is found to exist for any child or youth in court ordered OHC, indicating that an account has been opened, the CRA will inform DCF and that information will be forwarded electronically from DCF to the child's CW agency's Independent Living Coordinator for youth ages 15 and older and to the ongoing caseworker for those under age 15. For the youth age 16 and older, remediation should begin immediately upon receipt by the child welfare agency. Remediation for children and youth under 16 will be phased in and should begin no later than March, 2014. If the account is found to be in error (opened mistakenly or fraudulently), appropriate steps must be taken by the CW agency to correct the error (Attachments B, C, D) as quickly as possible and document the progress toward clearing the youth's record in eWiSACWIS.

POLICY AND PROCEDURE REQUIREMENTS

Once the information verifying that a report exists for a youth is forwarded to the CW agency, the agency must assist youth in interpreting the credit report and remediating any inaccuracies regardless of when the accounts were opened as outlined in the attachment, Clearing A Foster Youth's Credit Report – Desktop Guide. The correction of erroneous credit records is a life skill development opportunity. Therefore, the credit remediation activity should be, when age appropriate, collaborative in nature between the CW agency and the youth. The required steps and information to assist with the process can be found in Attachments A and C. The Wisconsin Office of Privacy Protection, <http://www.privacy.wi.gov/> works with Wisconsinites to educate them on how to protect their identities and works with victims of identity theft, helping them take steps to reclaim their identity and restore their credit standing.

eWiSACWIS DOCUMENTATION

Remediation documentation must be made under Money Management (service type), within the youth's Independent Living page. In the event that the Independent Living page has not yet been created for the youth (due to non-eligibility), the documentation of the remediation efforts, including the type of contact, the date of contact and participants in any related contact must be indicated in the case notes. Finally, once completed, the supporting documentation and the Credit Report Remediation – Chart Your Course of Action form, once completed should be scanned into eWiSACWIS.

ACTION SUMMARY

Once DCF is made aware of a credit record, CW agencies will be notified and the record forwarded to them. CW agencies are then responsible for verifying and remediating any inaccuracies in the report, using the steps and references outlined in the appendices of this memo. Collaboration with local credit counseling services to educate and assist with remediation may be helpful. Consistent with new federal policy, youth who attain sixteen years of age and are in OHC will receive, without cost, a copy of any existing credit report annually until they leave OHC.

A webinar will be available in summer 2013 to provide additional technical assistance to CW agencies implementing this requirement.

REGIONAL OFFICE CONTACT: DCF Area Administrator

CENTRAL OFFICE CONTACT:

Policy Questions:

Prevention and Intervention Policy Coordinator,
Bureau of Youth Services
Division of Safety and Permanence
608-422-6991

DCFBYS@wisconsin.gov

Credit Report and Remediation Questions:

Wisconsin Office of Privacy Protection
608-224-5163
1-800-422-7128

www.privacy.wi.gov/

MEMO WEB SITE: <https://dcf.wisconsin.gov/cwportal/policy>

Attachment: Child Welfare Credit Remediation Action Packet, DCF-F-439-E
<https://dcf.wisconsin.gov/forms>