

Potential Misuse of Foster Children's Social Security Numbers

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Office of Audit Report Summary

Objective

To assess the potential misuse of foster children's Social Security numbers (SSN).

Background

Recent studies have shown that children are at risk for identity theft and SSN misuse. Children make an attractive target for identity thieves because they do not usually discover the crime until they reach adulthood and apply for credit. Foster children may be at a higher risk of identity theft because their sensitive personal information (including SSNs) passes through the hands of many individuals as they move around the foster care system. Furthermore, young adults leaving the foster care system may learn they cannot obtain credit or get a job because someone misused their SSNs while they were in foster care. To accomplish our objective, we identified a population of over 96,000 foster children (under age 14) in the 5 States with the largest number of foster children. To determine whether these children's SSNs were potentially misused for work, we reviewed wage items in SSA's earnings records. We also worked with a national credit reporting agency (CRA) to determine whether these children's SSNs were potentially misused for credit. In addition, we conducted online research to determine other potential misuse of their SSNs, such as obtaining a driver's license.

Our Findings

Our analysis of earnings information disclosed potential misuse of foster children's SSNs for work, credit, and other purposes. For example, we identified over 3,600 (4 percent) foster children who had wage items in SSA's Earnings Suspense File. We believe the multiple names and employers associated with these SSNs may indicate SSN misuse. We also identified 67 foster children who had earnings posted to SSA's Master Earnings File. We believe these earnings may indicate SSN misuse because the foster children had wages from employers not generally associated with the employment of young children, such as agriculture, construction, and food service.

Of the 96,000 foster children in our population, the CRA estimated that over 4,900 (5 percent) had credit files that contained evidence that someone may have used their SSNs for credit or other purposes. For these credit files, someone used the child's SSN for most, or all, of the individual credit items in the file, including utilities, credit cards, and installment loans. Because of the numerous incidents of identity theft and the recognition that SSNs are linked to vast amounts of sensitive personal information, some States have taken actions to address identity theft involving foster children.

Our Recommendations

1. Partner with State and local governments to inform the foster care community about the potential risks associated with collecting and using SSNs as identifiers or for other purposes.
2. Encourage State and local governments to reduce unnecessary collection and use of foster children's SSNs and implement stringent safeguards to protect SSNs when collected. For example, remove SSNs from foster children's identification cards and other caregiver paperwork.
3. Promote the best practices of States that have taken steps to address SSN misuse and identity theft involving foster children.

SSA agreed with our recommendations.