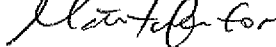


**REPORT OF THE
CHIEF LEGISLATIVE ANALYST**

DATE: March 17, 2014

TO: Honorable Members of the Rules, Elections and Intergovernmental Relations
Committee

FROM: Gerry F. Miller 
Chief Legislative Analyst

Council File No: 14-0002-S23
Assignment No: 14-03-0167

SUBJECT: Resolution (Koretz - Krekorian) to support AB 1658, which would require
consumer credit reporting agencies to place a security freeze on credit reports of
foster children under the age of 17

CLA RECOMMENDATION: Adopt Resolution (Koretz - Krekorian) to include in the City's
2013 – 2014 State Legislative Program SUPPORT for AB 1658 (Jones-Sawyer), which would
protect foster children against the fraudulent use of their identities by requiring consumer credit
reporting agencies to place a security freeze on credit reports of foster children under the age of
17.

SUMMARY

On March 4, 2014, a Resolution (Koretz - Krekorian) was introduced in support of AB 1658,
which would protect foster children against the fraudulent use of their identities by requiring
consumer credit reporting agencies to place a security freeze on credit reports of foster children
under the age of 17. The Resolution states that children are tempting targets for identity thieves,
because they typically have no credit information associated with their social security numbers, a
desirable factor for those seeking to commit credit fraud. The Resolution further states that foster
children are particularly vulnerable to identity theft, as their personal information is often more
exposed than the personal information of other children.

The Resolution also states that Los Angeles County recently conducted credit checks on a group
of foster children under its care, and found that 5% of those checked had been the victims of
identity theft. The Resolution, therefore, seeks an official position of the City of Los Angeles to
support AB 1658 (Jones-Sawyer), which would protect foster children against the fraudulent use
of their identities by requiring consumer credit reporting agencies to place a security freeze on
credit reports of foster children under the age of 17.

BACKGROUND

Children are increasingly being targeted by identity thieves, who use the information they steal
to fraudulently obtain lines of credit under false identities, as well as other criminal activities.
Over 10% of the children participating in a recent nationwide study were victims of identity
theft. This problem is especially acute among foster children, whose personal information is far
more exposed than most other youth.

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CLERK

Recently, Los Angeles County Department of Children and Family Services (DCFS) conducted credit checks on a group of foster youth in their care, and found that 5% of them had their identities stolen. A child with a stolen identity may not find out for years, which increases the damage done to their credit score, making it more difficult to clear. This potentially makes it more difficult for victims to obtain credit, get a job, or apply for student loans. Many foster youth already face more difficult circumstances than other children, being victimized by identity thieves only adds to their difficulties.

AB 1658 was introduced to address the threat posed by identity thieves targeting foster youth. AB 1658 would require that credit reporting agencies place a security freeze on the credit reports of foster children under the age of 17, making it far more difficult to use their identities for fraudulent activity. This legislation would make foster youth harder targets for identity theft, and add a significant layer of protection on the personal information of children in foster care in California.

DEPARTMENTS NOTIFIED

Police Department

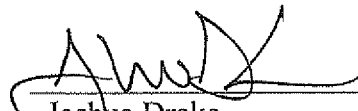
BILL STATUS

02/12/2014

Bill introduced

02/27/2014

Referred to the Committees on Human Services and Banking & Finance


Joshua Drake
Analyst

GFM:MF:jwd

Attachment: Resolution (Koretz - Krekorian)

14-0002-523

MAR 4 2014

RESOLUTION RULES, ELECTIONS & INTERGOVERNMENTAL RELATIONS

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies proposed to or pending before a local, state or federal governmental body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, identity theft is a serious crime that has become more pervasive in recent years; and

WHEREAS, children are tempting targets for identity thieves, because they typically have no credit information associated with their social security numbers; and

WHEREAS, a recent study on identity theft found that a significant percentage of children have had their identities stolen; and

WHEREAS, Los Angeles County recently conducted credit checks on a group of foster children in its care, and found that 5% of those checked were victims of identity theft; and

WHEREAS, foster children are uniquely vulnerable to identity theft, as their personal information is more exposed to thieves than most other children as they move through the foster care system; and

WHEREAS, AB 1658 (Jones-Sawyer) seeks to protect foster children by requiring consumer credit reporting agencies to place a security hold on credit reports of foster children under 17; and

WHEREAS, AB 1658 would make it more difficult to steal the identities of children in foster care by extending credit protection to them;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2013 - 2014 State Legislative Program SUPPORT for AB 1658, which would protect foster children against the fraudulent use of their identities by requiring consumer credit reporting agencies to place a security freeze on credit reports of foster children under the age of 17.

PRESENTED BY Paul Koretz
PAUL KORETZ
Councilmember, 5th District

SECONDED BY Paul Robinson


MAR 4 2014

ORIGINAL