

REPORT HIGHLIGHTS



September 2024 | OEI-07-22-00510

Most Children in Foster Care Did Not Receive Credit Checks and Assistance

Why OIG Did This Review

The over 600,000 children served by foster care each year are vulnerable to identity theft because their personally identifiable and financial information can be accessed by the many adults they encounter during their time in care, including non-custodial family members, foster parents, and social services personnel. To protect these children, Federal law requires that each child in foster care aged 14 or older annually receive a free credit check, and assistance in interpreting and resolving any inaccuracies identified.

What OIG Found

For most children in foster care, case files did not have documentation of required credit checks, leaving children vulnerable to identity theft.



Over half of the children in foster care who should have received credit checks did not receive any credit checks in FY 2021.



Credit reports existed for 4 percent of children who received at least one credit check, which could indicate potential identity theft because children under age 18 generally do not have the legal capacity to sign a contract or apply for credit and, therefore, should not have any credit to be reported.



The 4 percent of children in foster care who had credit reports rarely received assistance in interpreting or resolving credit reports, as required.



Eight States reported practices that fell short of requirements for conducting credit checks.



States described gaps in their capacity to interpret, and assist children in resolving, credit reports.



States encountered challenges working with credit reporting agencies (CRAs) to conduct credit checks and to resolve and prevent credit reports.

What OIG Recommends

1. ACF should monitor whether States are conducting credit checks of all three CRAs for children aged 14 or older who are in foster care, as required.
2. ACF should further assist States in building their capacity to conduct credit checks and to interpret and resolve credit reports effectively.
3. ACF should seek to partner with other government agencies to develop strategies to address issues that States experienced working with CRAs.

ACF concurred with all of OIG's recommendations.