Handling a Crime Committed by Someone You Know

In This Article
- Friends and family members, not just strangers, are potential identity thieves
- Victims may feel pressure not to report the crime
- Dealing with emotions and loss of trust

Identity theft is a complex crime at best. When the imposter is someone known to you, the impact of the crime magnifies dramatically:
- How do I prosecute my own mother?
- What kind of father would I be if I allowed the police to arrest my son?
- Should I practice “tough love?”
- What will the other family members think of me?
- What will my friends say?

You have three choices:
- Proceed as if this were a regular case of identity theft.
  - Make a police report (this is not the same as pressing charges against the person)
  - Cooperate with law enforcement’s investigation
- Work with the creditors to see if a resolution can be made without police involvement.
- Pay the debt and live with the consequences.

Consider these cases:
**Case 1:** “My adult daughter used my information without my knowledge to open several credit cards and buy a car. She hasn’t paid on any of these accounts and now the bank and credit card companies want me to pay. What do I do? I don’t want to see her go to jail.”

**Case 2:** “My father has a gambling problem. He opened several checking accounts in both my name and my brother’s name. Then he wrote bad checks for his debt. He’s 68 years old and my family thinks we should just pay off the debt. I know that if we do, he’ll just do it again. What do you advise?”

**Case 3:** “My ex-husband is using my 8-year old son’s SSN to open credit cards. He even got a driver’s license using his information. How do I stop him?”

**Case 4:** “My friend apparently went through my papers one day and found my SSN. She has several credit cards that she applied for in both of our names. I found out when I applied for a card and it was denied. She says she will pay off the cards but can only afford $20 a month. The credit card companies want all of it now. I can’t afford to pay these off. It is more than $10,000. What do I do? She won’t sign a letter saying these are really her cards because she is afraid they will arrest her.”

Let’s look at this situation from various points of view.
The Law
If you do not report this case, there will be no police report and no investigation. If you want the protection of the law as a victim of identity theft (and all the benefits you gain as a recognized identity theft victim), you must make a report. To get the protection of federal and state laws, you must have a police report. You are not an accomplice or co-conspirator unless you knew about the fraud for a while and did nothing to stop it or if you participated in the fraud yourself. If you refuse to make a report, you may risk appearing suspect when you try to clear the fraud activity (civil or criminal).

Credit Card Companies and Financial Institutions
The credit card companies and financial institutions want their money back. That is a reasonable expectation. It is your task to convince them that another person has taken over your accounts and/or opened new accounts in your name – all without your permission or knowledge. You will have to prove that you have not benefited financially from these accounts. Unfortunately, without a police report, your job will be much tougher. Credit card companies do not take victims seriously without a police report.

The Imposter
There are as many reasons to steal as there are imposters. The imposter may have an emotional problem or addiction that forces them to seek more money than they can afford. Examples are gambling, drugs, alcoholism, compulsive spending, domestic abuse or the need for attention. The imposter might be in severe financial straits and decide this is the best way to balance things out.
- Some imposters use identity theft to abuse the victim, as in the case of an ex-spouse, former boyfriend/girlfriend or an angry child.
- Other imposters do not believe that they have actually harmed the victim. They rationalize that the credit card company will absorb the loss and the victim will be forgiven the debt. The imposter does not realize the emotional and financial impact of this crime or the extensive hours and cost of clearing up compromised financial records.
- The reality is that the imposter made this choice. We all have choices and there is always a better solution than to steal. They have chosen to sacrifice you for their own needs.

The Victim
When you personally know the individual who has used your information, the emotional impact of identity theft dramatically increases – the sense of violation and betrayal, embarrassment for yourself and the imposter, the abuse of trust, even your feeling of how you evaluate others.

You may feel that this decision is not cut and dry. That feeling is one that many family identity theft victims experience as they begin to explore their options. This decision has many ramifications, for you and for those who know both you and the imposter. And those who know both of you may put pressure on you to assume the responsibility for the crime to protect the criminal. As you explore this subject, you will find that indecision seems to lift and you are able to see the path you eventually will choose to take.
One victim put it this way:
“The person who stole my identity was a friend. When I first found out, I was angry at what she did to me, apparently without concern for my feelings or financial security. I reported the situation to the police and then spent the next few weeks worrying about her safety. Would she be arrested? Would she be angry with me? She did get arrested and pled guilty.

"The day they took her from the courtroom in shackles was a very difficult day for me. I had a lot of mixed feelings. I knew she would not be able to hurt me for a while, that she would pay for her crime. People told me I should be celebrating. But how do you celebrate when you get to walk in the sunlight and the person you thought was a friend is behind bars, on a cot, alone and unable to feel the breeze on her face?

"It took me a while to stop identifying with her. I also had to make peace with myself. I was not the cause of the crime. I was simply a way for her to get money. By going to the police, I had actually given her a gift – a chance to change her ways and get her life together. I finally realized this crime was not about me. It was about her and her problems. I was just an innocent bystander. She was not capable of understanding friendship."

What If You Suspect the Imposter Is Someone You Know?
- The first step is order copies of your credit reports from Experian, TransUnion and Equifax. These reports are free if you believe you are a victim of a financial crime or have been refused credit or a job. Place a fraud alert on each of them.

- File a report, using the info from your credit reports as evidence.

- Call all the companies or collection agencies listing an account that you have not personally opened or that show a pending application. Request they send you a copy of the application and transaction records. Remember, you must send a police report with this request.

- Remember, you are not liable for this debt. The company is taking advantage of the fact that you are a family member if they insist that you pay.

- Keep trying to get the company to remove the debt.

- If you have a police report listing all the fraud accounts, the credit bureaus must block the fraudulent accounts from your credit reports within 30 days. But that means you must file a police report first.

Frequently Asked Questions

What if I file a police report? Won’t everyone hate me?
The person who used your information showed a lack of concern for your safety and financial good health. The old saying, “I didn’t think it would really hurt you; the credit card companies just write off
the loss,” cannot be allowed as an excuse. The loss is passed on to all of us in higher prices and taxes. If you have approached that person and told them you have a problem they caused AND they don’t respond with an offer to make it completely right immediately, they’ve told you their answer. They don’t care about you and how this affects your life. Why would you continue to protect someone who is putting you at risk?

By contacting the authorities and cooperating fully, you have not caused this person to be arrested. They caused this by their own actions. In your heart, you must understand you did the right thing, possibly the most difficult action you will ever take. Be careful if you think this person may become violent. Do not confront him/her. Let the police handle the situation and make sure you take the necessary steps to protect yourself.

**What if the imposter admits guilt? Can I make a deal with the creditors?**

Both parties should contact the credit issuing company(ies) and discuss the situation. See if the credit issuers will allow the imposter to fully pay the bill. Many will not. It is important for you to understand, THIS IS NOT AN AGREEMENT BETWEEN YOU AND THE IMPOSTER. IT IS AN AGREEMENT BETWEEN THE IMPOSTER AND THE CREDIT ISSUERS. Send ITRC Letter Form 115-2 [http://www.idtheftcenter.org/artman2/publish/v_templates/Letter_Form_115-2.shtml] (the imposter will need to sign this transferring responsibility from the victim to himself/herself) with the affidavit of fraud that the creditor sends you.

Note: You may NOT force someone to accept responsibility. They must do so willing, without coercion or threats from you.

Note: The creditors are NOT required by law to transfer responsibility. Most will not without a police report. Many companies will keep your information on the account in case the impostor does not pay the bill so that they still have somebody they can pursue for the remaining money owed.

We recommend that the imposter provide a check for at least 15-25% of the debt to mail with the documents or whatever the credit issuer demands as a first payment. The check should be made payable to the credit issuer, not you. Photocopy everything before sending it. Creditors may ask for all of the money or they won’t agree. Be prepared for that answer.

**My family wants me to forgive the imposter and they will help me pay off the bills slowly together. What are the consequences of this?**

If the imposter and credit issuer will cooperate, have the account moved to the imposter’s SSN. Have the family work out an agreement in writing, signed by all parties, to put the debt in the imposter’s name to pay it off.

UNDERSTAND: If you pay the debt in your name, any negative information on your credit report will remain on your report for seven (7) years. You have assumed responsibility for the debt and any negative credit worthiness consequences.
The imposter either will not admit guilt or does but will not sign any forms. I have conclusive proof of the crime. How should I proceed?
Either make a police report, or pay the bill.

The creditor won’t believe either the thief or me. Now what?
Assuming you have provided proof, filed a police report and there is a notarized admission of guilt by the imposter, you need to speak with a higher level person than you are currently dealing with. Ask for the legal department if all else fails.

The perpetrator is my ex-spouse or soon to be ex-spouse. What is the best way to proceed?
If the person has opened up credit cards in your name, without your authorization, have your divorce attorney address this as part of the divorce proceedings or settlement. If the divorce is final, you may choose to deal with this, as in the first question above, or go back to your divorce attorney for additional court assistance. Send a copy of the divorce decree with a cover letter to the creditors and let them go after your ex-spouse.

Does mediation help?
Mediation is a form of civil action. This is an option if you don’t want to take criminal legal action. The mediator will attempt to create a structured solution and legally binding agreement as to the circumstances between the imposter, the creditors or collection agencies and you. However, the downside is that the collections notice or bill still remains on your credit report unless the creditor will transfer the account to the imposter’s Social Security number. If the party refuses to go to mediation, you have to decide – are you going to pay the bill, take them to small claims court and sue them for the amount owed or report them to the police?

Do I need legal assistance?
If an impostor has committed crimes in your name, you should definitely contact a criminal defense attorney and have him/her help clear your name from the FBI and state criminal records databases. If your family member committed financial fraud and the creditors will not remove the fraud after you have written letters, you may need to hire a consumer law attorney. For referrals, contact the National Association of Consumer Advocates or your local or state bar association.

How do I deal with my emotions?
Whatever option you choose, you may want to look into emotional counseling, for yourself, the imposter, and for your family if the imposter is a family member. This is a challenge and all involved must learn “boundaries.”

- For the victim: It often benefits victims of familial identity theft to talk with a professional, either to help you make your decision or live with its consequences.

- For the imposter: This person has issues that need to be identified and dealt with. Possible therapies could include anti-theft counseling, anti-substance abuse counseling (for example,
alcohol, drugs, gambling), responsible financial management, developing a conscience, accepting responsibility for one’s actions, etc.

- For the family member or friend in the middle: The bottom line is that you will eventually all have to live with the consequences of the actions taken by the imposter. You need to talk out your anger (and you will experience anger), open new lines of communication, and see how interactions might have led to this action. You also need to establish boundaries to avoid new cases of abuse/identity theft.

Whatever you decide to do, know that you are not alone. Help is available on many levels for victims, imposters and their friends and family.

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