

# Debt, Fraud, and Identity Theft – Advocating for Human Trafficking Survivors with Consumer Law Issues

Guest Presenter - Amy Hennen, Esq.

Co-Hosts - Jessica Emerson, LMSW, Esq.

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# Agenda

- The Intersection of Consumer Issues and Human Trafficking
- Assisting Human Trafficking Survivors with Consumer Matters
- Strategies for Rebuilding Credit
- Case Scenario for Discussion

# The Intersection of Consumer Issues and Human Trafficking

# What is Consumer Law?

- Debt collection (credit cards, medical debt, student loans, etc.)
- Credit (renting an apartment, getting a job, insurance and credit)
- Bankruptcy
- Collateral consequences
  - Bail bonds
  - Debts owed to a state agency
  - Mortgages
  - Landlord/tenant

# Case Scenario

Dee started dating Keith when she was 23 and he was 28, and they soon moved in together. Keith asked Dee to put her name on the lease as he had poor credit and she has a reliable job at a local retailer. Dee paid for most of the rent and the utilities, but she did not mind as Keith claimed he was just in between jobs and would soon be back on his feet. After a few months, Keith began to become controlling and abusive. He started telling Dee she was worthless, that no one else would ever love her or care for her, and began hitting and choking her during fights. Dee - a survivor of childhood sexual abuse - became depressed and isolated from her friends and family. Dee and Keith both used heroin and pills, and Dee coped with the increasing violence and abuse through more frequent drug use.

After Dee lost her job due to her increased drug use, Keith began pressuring her to make money to support their basic needs and drug habit by trading sex. He put up a profile for Dee on Craigslist and arranged for her to go on “dates” with men who contacted them online. He used Dee’s driver’s license and information to rent hotel rooms where she would meet the “dates,” but would make her hand over all the money to him. If Keith felt that Dee did not make enough money from the dates he arranged, he would become violent, and Dee received medical treatment at the emergency room of a local hospital or urgent care center after a few violent incidents. After two years of being with Keith, Dee sought help with her drug use and went to an in patient treatment program. While there, she was screened for HT and referred to a local services agency for counseling and shelter.

Dee is now living at a shelter and beginning to look for employment. She is concerned that Keith may have used her driver’s license and other identity documents, and she owes money to her landlord for the apartment she was renting with Keith. **What potential consumer issues does Dee have? What additional information would you want to know if you were the attorney representing her in this consumer case?**

# Supporting the Consumer Rights of Survivors

- Survivors can be trapped in cycle of violence, poverty, and debt - increasing financial/economic stability is key to their moving forward with their lives in safety
- Survivor centered advocacy for consumer issues should include:
  - Full and open assessment of financial situation
  - Discussion of current, past and future plans/wishes
  - Providing critical information about options
  - Offering support in assessing options and their potential impact on safety
  - Giving tools and resources for survivor to access

# What Do Consumer Issues Look Like in HT Cases?

- Survivors may have debt from prior to their trafficking experience:
  - Vulnerable populations often face inequities and discrimination that may impact financial security
  - Traffickers often target potential victims who are struggling financially
- Survivors may be subject to coerced debt, fraud, and identity theft, among other economic abuses, or accrue debt related to their victimization
- Compounding effects of victimization:
  - Survivors may face significant barriers to securing employment and accessing credit
  - Require healthcare and other services creating further debt

Jesse has student loans  
– federal and private -  
from the two years they  
attended college just  
before they were  
trafficked.

Sylvia had her driver's  
license and social security  
card taken by her trafficker,  
and she believes he applied  
for and used credit cards  
in her name.

Dashauna was arrested for  
drug possession and trespassing and  
incarcerated while being trafficked. She  
posted bail through a bail bondsman.  
She is currently at a shelter and has  
been unable to pay this back. The bail  
company went to court and obtained a  
body attachment (arrest order)  
for her due to the  
unpaid debt.



# Economic Damage to Survivors

**Economic Abuse** is a core component of trafficking survivors' experiences:

- Defined as “behaviors that control [an individual’s] ability to acquire, use, and maintain economic resources threatening [their] economic security and potential for self sufficiency”

-Adams, Sullivan, Bybee, Greeson, Development of the Scale of Economic Abuse, 14(5) Violence Against Women Journal 563 (2008).

- Protections under the TVPA for Survivors:
  - Restitution – “full amount of victim’s losses”/value of services or labor
  - Civil Damages – compensation for other damages

# Red Flags for Consumer Debt in HT Cases

- Shares they have unpaid bills or are receiving calls from creditors
- Interrupted and/or unfinished schooling
- Hospitalizations or emergency room visits
- Open or closed civil cases in Maryland Judiciary Case Search
- Expresses doubt they will be able to get a lease for an apartment, a car loan, etc.
- Arrested and got out on bail – signed/cosigned bail bond

# Red Flags for Coerced Debt in HT Cases

- Coerced debt - through threat, force or fraud
- Signed/had name used on lease, deeds, car titles, or other property to protect/benefit trafficker
- Opened credit card, took out loan, or opened bank account (potential tax liability) for use by trafficker
- Cosigned for debt
- Took out/cosigned a bail bond for someone else

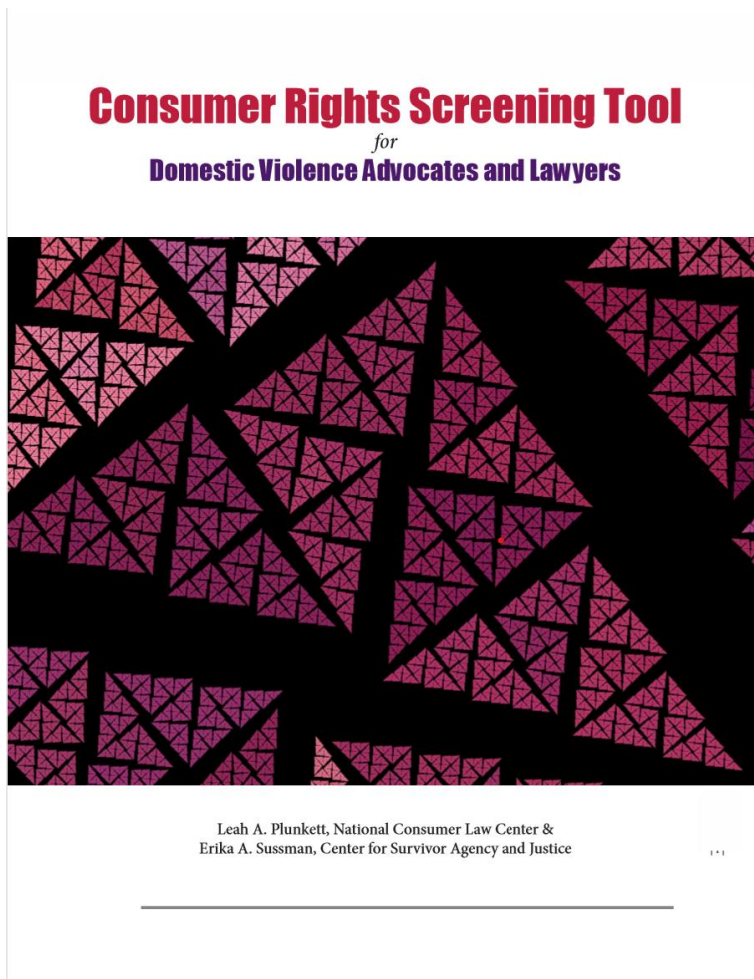
# Red Flags for Identity Theft and Fraud in HT Cases

- Identity documents stolen/withheld/used by trafficker
- Does not recognize bills or creditors asking for repayment
- Cannot get BGE/other utilities in their name
- Discrepancies, incorrect dates, or wrong information on credit report

# Assisting Human Trafficking Survivors with Consumer Matters

# Starting the Conversation...

## Screening for Consumer Law Issues in HT Cases



- When outlining short and long term goals, check in about barriers and concerns
- Ask if they have checked their credit reports/other consumer reports recently
- Discuss budgeting

# Accessing Credit Reports

[www.annualcreditreport.com](http://www.annualcreditreport.com)

- Access reports from three major bureaus – TransUnion, Equifax, and Experian
- Under Federal law one free from each bureau per year (currently: one free each week due to Covid-19)
- Access on computer, and print or save right away
- In MD, you can access your credit reports for free twice annually – see MD Dept. of Labor website <https://www.dllr.state.md.us/finance/consumers/creditrpc.shtml>

<https://www.consumerfinance.gov/consumer-tools/credit-reports-and-scores/consumer-reporting-companies/>

# Tips for Reviewing Credit Reports with Clients

- Accounts in collection, accounts with no payment history, also look for law suits (won't appear on credit reports)
- Best if you can put all three, but may have difficulty pulling if identity theft
- What if client does not recognize creditors? (debt buyer vs. original creditor)
- Debts stay on 7 years, bankruptcies 10 years, last date may not be date of last payment, but last date information reported to the credit bureau (FCRA letter)



File Number: [REDACTED]  
Date Issued: 10/09/2018



### Personal Information

You have been on our files since 07/01/1984

SSN: XXX-XX-XXXX [REDACTED]

Date of Birth: [REDACTED]

### Names Reported:

### Addresses Reported:

Address	Date Reported	Address	Date Reported
[REDACTED]	07/31/2018	[REDACTED]	07/29/2013
[REDACTED]	04/20/2006	[REDACTED]	07/18/2009
[REDACTED]	05/29/2008	[REDACTED]	12/31/2006
[REDACTED]	05/01/2003	[REDACTED]	
[REDACTED]	12/15/2007	[REDACTED]	03/01/2007
[REDACTED]	06/01/2007		

### Telephone Numbers Reported:

(240) [REDACTED] (410) [REDACTED] (440) [REDACTED] (301) [REDACTED] (240) [REDACTED] (301) [REDACTED] (301) [REDACTED] (301) [REDACTED] (552) [REDACTED] (301) [REDACTED] (410) [REDACTED] (301) [REDACTED] (301) [REDACTED] (301) [REDACTED] (301) [REDACTED]

### Employment Data Reported:

Employer Name	Date Verified	Position
[REDACTED]	03/04/2014	[REDACTED]
[REDACTED]	07/17/2013	[REDACTED]

### Adverse Accounts

**CAPITAL ONE AUTO FINANCE** [REDACTED] \*\*\*\* (CB DISPUTES TEAM, P O BOX 259407, PLANO, TX 75025, (800) 946-0332)  
Date Opened: 01/15/2014 Date Updated: 08/31/2018 Pay Status: >Account 60 Days Past Due Date:  
Responsibility: Joint Account Payment Received: \$350 Terms: \$350 per month, paid Monthly for  
Account Type: Installment Account Last Payment Made: 08/03/2018 74 months  
Loan Type: AUTOMOBILE >Maximum Delinquency of 60 days in 02/2018  
for \$701 and in 08/2018 for \$700

High Balance: High balance of \$14,502 from 04/2016 to 08/2018  
Estimated month and year that this item will be removed: 10/2024

	08/2018	07/2018	06/2018	05/2018	04/2018	03/2018	02/2018	01/2018	12/2017	11/2017	10/2017	09/2017
Balance	\$7,349	\$7,578	\$7,804	\$8,029	\$8,248	\$8,467	\$8,678	\$8,516	\$8,725	\$8,931	\$8,756	\$8,961
Scheduled Payment	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350
Amount Paid	\$350	\$351	\$351	\$351	\$351	\$351	\$0	\$350	\$350	\$0	\$350	\$0
Past Due	\$700	\$700	\$700	\$700	\$701	\$701	\$701	\$350	\$350	\$350	\$0	\$0
Rating	60	60	60	60	60	60	60	30	30	30	OK	OK

# Credit Reports – Fraud Alerts and Freezing Accounts

- A fraud alert on your credit reports requires creditors to verify your identity before processing credit applications
  - Temporary - 1 year (anyone can get)
  - Extended - 7 years (must provide police report)
- A credit freeze blocks access to your credit report all together until you temporarily thaw or lift
  - No cost to activate/lift, anyone can do

# Credit Reports – Fraud Alerts and Freezing Accounts

- Contacting the three credit Bureaus:

**Equifax** - [Equifax.com/personal/credit-report-services](https://www.equifax.com/personal/credit-report-services)

**Experian** - [Experian.com/help](https://www.experian.com/help)

**Transunion** - [TransUnion.com/credit-help](https://www.transunion.com/credit-help)

- [Identifytheft.gov](https://www.identifytheft.gov) – Free assistance with reporting identify theft/creating recovery plan

# Addressing Identity Theft – Strategies and Legal Options

- Identity Theft Resources:
  - Federal Trade Commission - <https://www.ftc.gov/faq/consumer-protection/report-identity-theft>
  - Maryland Attorney General - <https://www.marylandattorneygeneral.gov/Pages/CPD/default.aspx>
  - Maryland Department of Labor - <https://www.dllr.state.md.us/finance/consumers/idtheft.shtml>
- Benefits and drawbacks
- How to use a police report to contest debt with creditors
- Challenges with getting new identity documents

# Addressing Debt – Strategies and Legal Options

- Negotiating with creditors
  - Can be very tricky for clients to manage without help
  - Creditors often ask for proof of income/bank information to make garnishment easier
- Bankruptcy Bypass
  - Works if income is non-collectable (e.g. disability benefits, social security) and client has limited assets (under \$6000 in savings, etc.)
  - Goal to stop creditor harassment

# Addressing Debt – Strategies and Legal Options

- Bankruptcy
  - Need to consult with an attorney
  - “Will I lose everything?”
- Types of Bankruptcy:
  - Chapter 7 – liquidation
    - Income and asset limitations
  - Chapter 13 – repayment
    - EZpass debts

# Addressing Debt – Student Loans

- Student loans - FEDERAL or PRIVATE?
- Options for federal loans:
  - Default
  - Deferment or forbearance
  - Consolidation and rehabilitation
  - Repayment plans
- Resources
  - <https://studentaid.gov/>
  - <https://www.studentloanborrowerassistance.org/>
  - <https://www.consumerfinance.gov/paying-for-college/repay-student-debt/>

# Bail Bonds

- What are bail bonds?
  - 10% rule
  - 1% rule
- Current state of bail in Maryland
  - AG's guidance
- Collection of bail bonds
  - Court laws
  - Maryland Insurance Administration



# Body Attachments – Risk of Arrest for Debtors in MD

- Creditors can force a debtor to come to court once they have judgement in their favor
  - Body Attachments – Order for debtor to appear in court, allows for civil arrest
  - Used by bail bond companies, landlords, etc.
- Exploits tools of criminal law to collect money for civil case
  - No right to counsel as civil matter
  - Creates cycle of debt and incarceration

# Strategies for Rebuilding Credit

# Assisting Survivors with Rebuilding Credit

- Credit Repair:
    - Map options to report fraud and/or identity theft
    - Contest errors on credit reports
    - Create a plan to address debt
  - Build Positive Credit:
    - Secure credit cards
- [www.nerdwallet.com/best/credit-cards/bad-credit](http://www.nerdwallet.com/best/credit-cards/bad-credit)

**\*\*\*Avoid for-profit credit repair companies\*\*\***

# Case Scenario for Discussion

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Questions?

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  - Excellent
  - Good
  - Fair
  - Poor
2. How would you rate the webinar platform GoToWebinar?
  - Positive
  - Neutral
  - Poor
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  - Yes please / I would like further information
  - No thanks
4. What country did you attend the webinar from?

*We'd love to hear from you, so we can improve.*



# Thank you!

To follow up with our guest speaker, please contact:

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443-451-4064

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(410) 837-4566



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Maryland Volunteer Lawyers Service

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### Single Mom Can't Afford A Large Payment

Client is being sued by her former landlord for \$4146.59. She admits she owes some but not all of the debt and is hoping to reduce the amount she has to pay. Court date set for 7/20/18 at 1:30pm.

Location: Baltimore County    Ref. #: 18-0138741    Case Type: Debt Collection

[Share Case](#) [Learn More](#)

### I Admit To The Debt, But Can We Negotiate A Settlement.

Client is being sued for \$933.00 for failing to make payments towards a debt. Client agrees that she owes the debt. There are no judgments entered in the case. Client has paid approximately \$300 toward the debt and would like to work out a settlement for the remaining. Affidavit Judgment Hearing: 7/23/18 at 1:00PM. Trial: 8/5/18 at 9:00AM.

Location: Washington    Ref. #: 18-0138685    Case Type: Debt Collection

[Share Case](#) [Learn More](#)

### You Have Left Me No Other Choice But To File For Rent Escrow.

Client wishes to initiate a rent escrow case after nothing has been done to make repairs. Client has lived in the property since October 2016 and problems in the unit began in December 2017. To date LL, has not tried to resolve the mold issue, flooding, falling attic stairs, and the hole in the ceiling.

Location: Baltimore County    Ref. #: 18-0138671    Case Type: Landlord-Tenant

[Share Case](#) [Learn More](#)

### Landlord Requests The Move, Now Refusing My Security Deposit.

Client filed suit against her previous Landlord for the return of her security deposit and three times the amount. Client only lived in the property for 3

### Looking Towards A Fresh Start

Client seeks help with expunging her criminal record.

### Here's To New Beginnings!

Client seeks to go over her criminal record with a volunteer and to have the eligible cases expunged from her record.

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- **June 4th** – True Freedom in 2020 - Guidance on the Expanded Vacatur Law and New Criminal Record Relief Options for Trafficking Survivors
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