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.
Heather Heiman, Esq.
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
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 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”
  

- 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

- 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/creditrerepc.shtml

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)
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](http://Equifax.com/personal/credit-report-services)
  
  Experian - [Experian.com/help](http://Experian.com/help)
  
  Transunion - [TransUnion.com/credit-help](http://TransUnion.com/credit-help)

• [Identifytheft.gov](http://Identifytheft.gov) – Free assistance with reporting identify theft/creating recovery plan
Addressing Identity Theft – Strategies and Legal Options

- **Identity Theft Resources:**
  - 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

***Avoid for-profit credit repair companies***
Case Scenario for Discussion
Case Scenario

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Questions?
Tell us what you think in our post-webinar survey!
Thank you!

To follow up with our guest speaker, please contact:

Amy Hennen
ahennen@mvlslaw.org
443-451-4064

For more information about the Human Trafficking Prevention Project, please contact us at:

Heather Heiman
hheiman@mvlslaw.org
(443) 451-4075

Jessica Emerson
jemerson@ubalt.edu
(410) 837-4566
MVLS intake remains OPEN through our dedicated phone lines and website. The physical office is currently closed through June 5th.

MVLS will continue to accept new cases through our online intake or through our phone intake lines at (410) 547-6537 or (800) 510-0050 Monday to Thursday from 9 a.m. to noon.

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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 7/26/18 at 1:00pm.

I Admit To The Debt, But Can We Negotiate A Settlement.
Client is being sued for $935.20 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 $50.00 toward the debt and would like to work out a settlement for the remaining amount. Judgment Hearing: 7/25/18 at 1:00PM. Trial: 8/5/18 at 9:00AM.

You Have Left Me No Other Choice But To File For Rent Esrow
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 roof issue, leaking, failing attic door, and hole in the ceiling.

Landlord Requests The Movie, 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 months.

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.
FREE Upcoming Training & Volunteer Opportunities:

Go to mvlslaw.org/events for more info!

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

- **June 4th** - Annapolis Advanced Tax Topic Training: Effective Tactics for Helping Your Clients Through Tax Collections

- Check the MVLS calendar for upcoming Third Thursday and Tax Tuesday trainings!
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- Consumer
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- Tax
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