



**L E G A L  
S E R V I C E S**

**INCORPORATED**

**TESTIMONY**

**ON**

**EXAMINING THE PROBLEMS OF ECONOMIC ABUSE AS  
A FORM OF DOMESTIC ABUSE AND THE ADEQUACY  
OF STATE LAW AND SERVICES AVAILABLE TO  
VICTIMS OF DOMESTIC ABUSE**

**BEFORE:**

**NEW YORK STATE ASSEMBLY  
COMMITTEES ON CODES AND JUDICIARY**

**PRESENTED BY:**

**BARBARA GRAVES-POLLER  
SUPERVISING ATTORNEY  
MFY LEGAL SERVICES, INC.**

**December 5, 2012**

---

**MFY LEGAL SERVICES, INC.**, 299 Broadway, New York, NY 10007  
212-417-3700 [www.mfy.org](http://www.mfy.org)

---

Thank you for inviting our organization to testify today. My name is Barbara Graves-Poller, and I am a supervising attorney at MFY Legal Services. MFY envisions a society in which no one is denied justice because he or she cannot afford an attorney. To make this vision a reality, for 50 years MFY has provided free legal assistance to residents of New York City on a wide range of civil legal issues, prioritizing services to vulnerable and under-served populations, while simultaneously working to end the root causes of inequities through impact litigation, law reform and policy advocacy. We offer advice and representation to more than 8,000 New Yorkers each year. MFY's Consumer Rights Project represents and counsels New Yorkers regarding debt collection and other consumer protection issues. As part of that practice, we assist survivors of domestic violence who call our hotline or who attend the CLARO court-based consumer clinics that our attorneys help to staff.

In our experience, economic abuse creates fertile ground for ensnaring victims in a lifetime of inescapable debt, housing instability, and intractable poverty. Like other forms of abuse, economic abuse manifests itself in households at all socioeconomic levels, among persons of every age, and without regard for immigration status. Although we are not domestic violence experts, our client population mirrors this vulnerable population.

In order to effectively address the topic of economic abuse, it is necessary to recognize the interconnectedness of domestic violence and financial dependence. For example, one recent survey found that, 74 percent of women stay with an abuser longer than they otherwise would for economic reasons, thus continuing a cycle of economic dependency.<sup>1</sup> Today I will address aspects of Questions 1, 2, 3, and 10 of the hearing notice, and I will focus on the issues of identity theft and coerced debt. These are two of the most common ways we see abuse manifest itself and cause long-term problems —economic and otherwise —for our clients. Given that, according to the U.S. Department of Justice, the vast majority of abusers are male partners in heterosexual relationships, I will use masculine pronouns to refer to abusers and feminine to refer to survivors.<sup>2</sup>

The problem of identity theft, whereby an abuser steals his partner's personal information without her knowledge and uses it without her permission to obtain credit, throws a victim's life into chaos. This is precisely what happened to our client, Ms. E, who was referred to MFY through CLARO. Earlier this year, Ms. E, a retired case worker now living on social security, discovered that a debt buyer had filed a consumer credit lawsuit against her. She did not recognize the plaintiff, which was a third-party debt buyer. She could not discern from allegations set forth in the complaint what the alleged debt was for. Eventually, she discovered that the debt buyer had purchased the debt from a bank that had allegedly issued a credit card in her name without her knowledge or authorization. Her ex-abuser had likely used the credit card to pay for dental work. Like most debt buyers, the collection plaintiff had no evidence proving the existence of the underlying debt. Such evidence could have helped Ms. E prove that the debt was not, in fact, hers. Ms. E submitted a sworn affidavit to notify the plaintiff that she was the

---

<sup>1</sup> Mary Kay Inc., 2012 Truth About Abuse Survey Report at 2, *available at* <http://content2.marykayintouch.com/Public/MKACF/Documents/2012survey.pdf>.

<sup>2</sup> R. Durose et al., U.S. Dep't of Just., NCJ 207846, *Bureau of Justice Statistics, Family Violence Statistics: Including Statistics on Strangers and Acquaintances*, at 11, 13 (2005), *available at* [http://www.ncdsv.org/images/BJS\\_FVStatisticsIncludingStatisticsOnStrangersAndAcquaintances\\_6-2005.pdf](http://www.ncdsv.org/images/BJS_FVStatisticsIncludingStatisticsOnStrangersAndAcquaintances_6-2005.pdf).

victim of identity theft. However, the plaintiff refused to withdraw the claims, requiring Ms. E to return to court on numerous occasions. The plaintiff eventually agreed to dismiss the case after Ms. E retained MFY.

Identity theft frequently results in financial injury and psychological harm. Victims endure harassment by debt collectors, collection lawsuits, and nearly irreversible impairment of their credit history and score. In turn, blemishes on a credit report, even those not of one's own making, may translate into automatic denials of jobs and promotions as well as rejection of housing applications. These barriers are particularly significant for domestic violence survivors. Not only are survivors often desperate to secure employment and housing to avoid returning to their abusers, many have already suffered job losses because of the abuse they experienced.<sup>3</sup> Victims of identity theft often "feel overwhelmed by the psychological pain of loss, helplessness, anger, isolation, betrayal, rage, and even embarrassment" when the crime is perpetrated by an anonymous stranger.<sup>4</sup> Remedying identity theft is exponentially more complicated and traumatic when perpetrated by a domestic abuser. The work of fighting collection lawsuits and repairing a credit history places nearly insurmountable obstacles in the paths of survivors who must simultaneously ensure their physical safety and financial independence.

Another common form of economic abuse results in the accumulation of debt that is authorized through coercion. This occurs when domestic abusers use actual or threatened violence to control their victim's financial decisions or prevent victims from building credit. Abusers may sabotage their victim's good credit by forcing the abused to obtain loans that she did not want or need. According to one recent study, 84 percent of survivors said their abusers "decide[d] when and how [they] could use [their] cash, bank accounts, or credit cards," and 59 percent said their abusers "buil[t] up debt under [their] name by doing things like us[ing their] credit card or run[ning] up the phone bill."<sup>5</sup>

Credit plays a particularly important role in economic abuse because a victim with impaired credit may lack the necessary tools for fleeing a dangerous household and regaining her independence. Due to domestic abuse, MFY's client, Ms. L, was forced to leave a skilled job in the medical profession, causing her to default on her bills. She and her seven-year old daughter are now stranded in a shelter, facing bleak employment and housing prospects due to damaged credit.

Some of the economic abuses discussed today could be ameliorated with bills that are now pending in the legislature. For example, the Consumer Credit Fairness Act (CCFA) (A6033) shortens the statute of limitations and enhances pleading and notice requirements in debt collection suits, making it easier to recognize identity theft in its early stages. CCFA would help victims of economic abuse because it requires that the complaint in a consumer credit action include basic information about the subject debt so that defendants can readily identify the debt for which they are being sued. Requiring additional debt descriptions would also help domestic

---

<sup>3</sup> National Coalition Against Domestic Violence – Economic Abuse FactSheet.

<sup>4</sup> Identity Theft Resource Center Factsheet # 108, available at

[http://www.idtheftcenter.org/artman2/publish/v\\_fact\\_sheets/Fact\\_Sheet\\_108\\_Overcoming\\_The\\_Emotional\\_Impact.shtml](http://www.idtheftcenter.org/artman2/publish/v_fact_sheets/Fact_Sheet_108_Overcoming_The_Emotional_Impact.shtml).

<sup>5</sup> National Partnership for Women and Families, Losing Ground: Unwarranted Credit Checks Create Barriers to Employment for Women 2 (Nov. 2012), available at

[http://www.nationalpartnership.org/site/DocServer/Women\\_and\\_Credit\\_Checks\\_Fact\\_Sheet.pdf?docID=11521](http://www.nationalpartnership.org/site/DocServer/Women_and_Credit_Checks_Fact_Sheet.pdf?docID=11521).

violence victims assert defenses in cases involving debts they did not voluntarily incur. Victims of economic abuse like Ms. L often flee their abusive environment carrying only basic necessities and not financial documents or other records. This lack of documentation further undermines their ability to defend against collection claims premised on limited or poorly articulated facts.

Another bill that would help combat the effects of economic abuse is the Credit Privacy in Employment Act (A4052). This bill would restrict employers' use of credit history information in hiring, promotion, termination, compensation and other employment decisions. "[B]ecause credit reports are simply lists of events – and credit scores are simply numeric analyses of these events – there is no evaluative process that can delink a survivor from her former abuser."<sup>6</sup> It is essential that impaired credit not prevent victims of economic abuse, like our clients, from obtaining and maintaining employment. Between one quarter and one half of domestic violence victims have reported losing a job due to domestic violence.<sup>7</sup> We should not inflict further injuries on such victims by discriminating against them based on a credit history tarnished through economic abuse and coercion.

Finally, we wish to recognize the New York State Office of Court Administration's recent proposal to require that certain information in publicly available court documents be redacted before filing. More than one half of domestic violence assaults took place after the woman separated from her abusive partner.<sup>8</sup> In light of this, we appreciate the judiciary's sensitivity to the privacy concerns of domestic violence victims.

Thank you for holding today's hearing and for the opportunity to testify about the important and complex issue of economic abuse. MFY Legal Services is committed to working with the Assembly to better protect domestic violence survivors in New York.

---

<sup>6</sup> Angela Littwin, *Coerced Debt: The Role of Consumer Credit in Domestic Violence*, CAL. L. REV. 155 (forthcoming 2012), available at <http://ssrn.com/abstract=1867554>.

<sup>7</sup> National Coalition Against Domestic Violence – Economic Abuse FactSheet.

<sup>8</sup> Littwin, 126