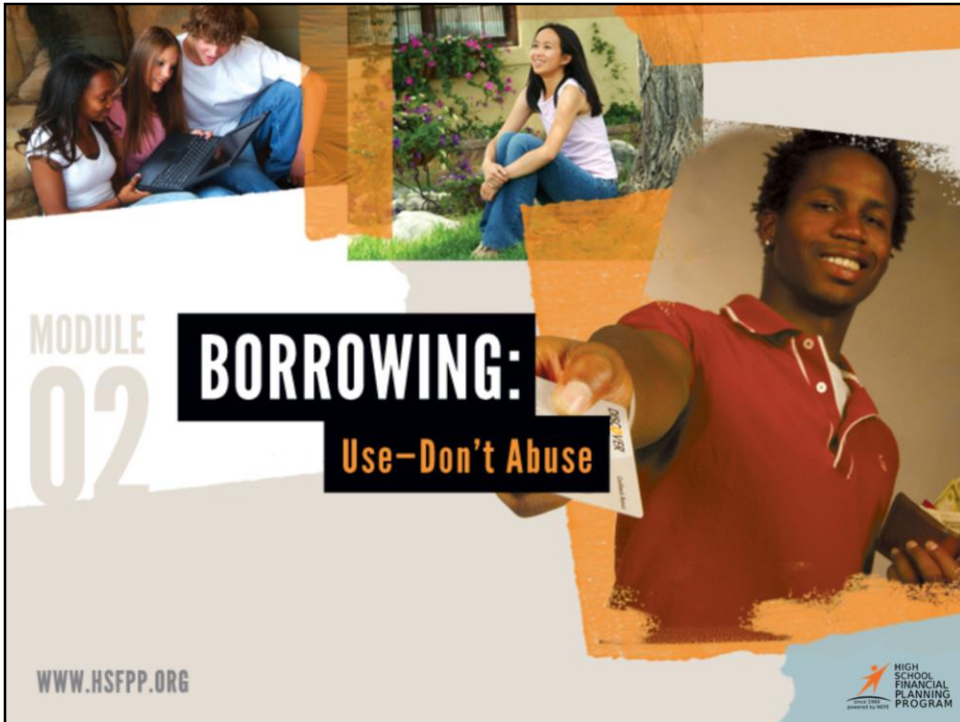


HIGH SCHOOL FINANCIAL PLANNING PROGRAM
LESSON 2-5: IDENTITY FRAUD



MODULE
02

BORROWING:
Use-Don't Abuse

WWW.HSFPP.ORG

HIGH SCHOOL FINANCIAL PLANNING PROGRAM
NATIONAL ENDOWMENT FOR FINANCIAL EDUCATION

HIGH SCHOOL FINANCIAL PLANNING PROGRAM
LESSON 2-5: IDENTITY FRAUD

Identity Fraud

TODAY YOU WILL . . .
TAKE STEPS TO
PROTECT YOURSELF AGAINST FRAUD

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- Display this slide as you kick off the lesson.

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What's in your wallet?
Give yourself a point for each of these items listed below.

<input type="checkbox"/> Credit card (The actual number of cards)	<input type="checkbox"/> Paycheck stub
<input type="checkbox"/> ID card with photo (school, employment)	<input type="checkbox"/> Bank or credit union deposit slip
<input type="checkbox"/> \$5 bill	<input type="checkbox"/> Any type of money-saving coupon
<input type="checkbox"/> Change (coins) totaling \$2 or more	<input type="checkbox"/> Car keys
<input type="checkbox"/> Original Social Security card	<input type="checkbox"/> Flash drive for computer
<input type="checkbox"/> Picture of a close relative	<input type="checkbox"/> Cell phone
<input type="checkbox"/> Computer password (The actual number of passwords)	<input type="checkbox"/> Driver's license
<input type="checkbox"/> Bank/Credit Union ATM PIN number	<input type="checkbox"/> Facial tissue
<input type="checkbox"/> Library card	<input type="checkbox"/> Membership card
	<input type="checkbox"/> Food

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- ❑ Ask the students, “What’s in your wallet?” Inform them that they are going to go on a financial scavenger hunt. Show Slide 1 and tell the students that they have three minutes to find these items in their wallets, backpacks, purses, or pockets. Instruct students to take a look and see how many of the items listed they currently have in their possession. [Do **NOT** mention that the lowest scores win.]
- ❑ Ask if any students think they have a score of 20. Then survey the students who think they have at least 15 points or more.
- ❑ Now it’s time to tell the students that this game is scored like golf—the one with the lowest score wins! Engage the students in a brief discussion on the potential dangers for various items:
 - *Credit card – could lead to overspending; potential for someone to use without permission.*
 - *Social security number on any of your cards – increased risk for identity theft.*
 - *Passwords, PINs, paycheck stubs, and deposit slips – could lead to unauthorized access to your information and bank accounts.*
- ❑ Finally, ask student what’s so scary about having \$2 or more in loose change? Tell them that if they put their loose change in a piggy bank every night, the total collected could be anywhere from \$20 to \$100 at the end of the month!

SOURCE: Adaptation of Scavenger Hunt activity designed by CJ Juleff, Executive Director of the Colorado Jump\$tart Coalition, 2011.

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Preview

Today we will answer these questions:

- How am I at risk for identity fraud?
- What should I do if I'm a victim of identity fraud?
- How can I protect my personal information?

Use what you learn today to take action
to keep your personal information safe.

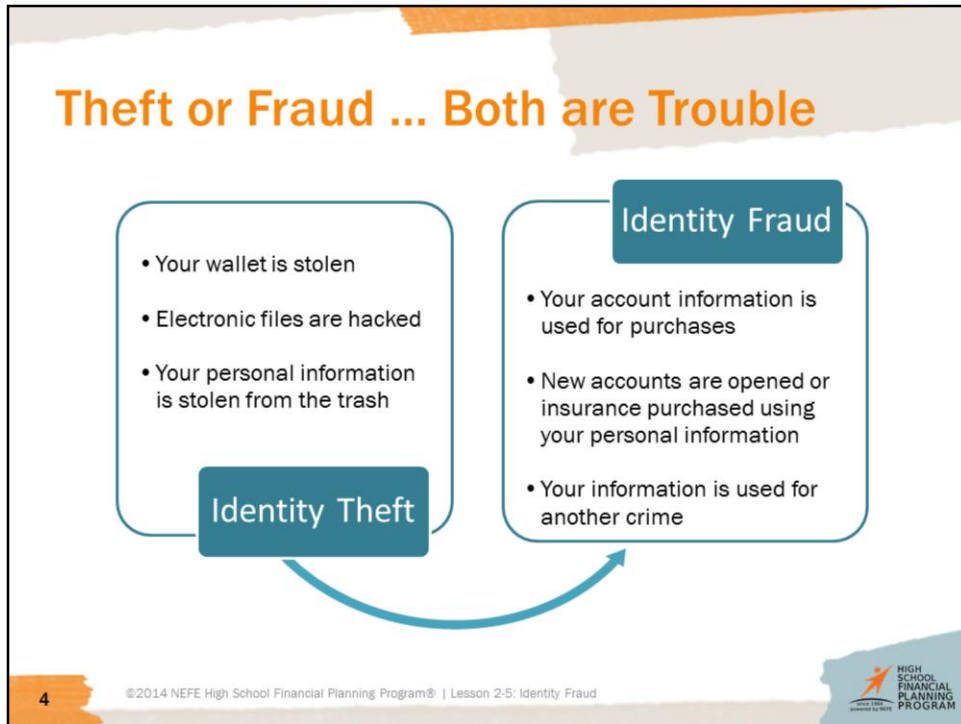
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Student Guide, page 34

- Arrange for a student to read the story about Jesse's dad (page 34). Ask for one or two volunteers to share a story about instances when they or a family member were a victim of identity fraud.
- Transition into the lesson by telling the students that they will learn about strategies to protect themselves from identity fraud. Preview the Learning Outcomes in the Student Learning Plan. By the end of this lesson, the students should be able to apply strategies to protect their information.

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Student Guide, pages 34-35

- ❑ Point out examples of how individuals have been victims of identity theft and fraud. Tell the students to study the Few Figures on Fraud chart on page 34 as you discuss how individuals are impacted by fraud. Point out that fraud impacts individuals (time to fix and possible costs) as well as businesses (require extra security strategies which cost money, time to fix, and reputation). In the end, business and consumers are inconvenienced and costs are passed on to consumers.

EXTENSION:

As time allows, arrange for students to search online to find the answers to the following questions:

- *What percentage of identity fraud crimes were committed by someone the victim knew?*
- *What are the five most common types of identity theft?*

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LESSON 2-5: IDENTITY FRAUD

Teens are Targets Too!

- 10 percent of U.S. youth had someone else using their Social Security Number
- Identity fraud is growing for minors.
 - Teens 15-18 years old are the main target.
- Fraud may go undiscovered for years:
 - Businesses only see clean credit history when someone applies.
 - Credit reports are not available for minors to check for any activity.
- Fraud is often detected only when the victim applies for a loan or credit card in his or her own name.

Source: Richard Power, Child Identity Theft, Carnegie Mellon CyLab Report

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- ❑ Teens have something extremely valuable to identity thieves—Social Security Numbers with no credit history. In fact, identity fraud for Americans 18 years and under is growing fast. A recent report found 10% had someone else using their Social Security Number—a rate that’s 51 times higher than the adults studied.
- ❑ Teens 15 – 18 years old were the hardest hit although kids 11 – 14 years old weren’t far behind. But the youngest victim was only five months old.
- ❑ This type of fraud is particularly insidious because it’s hard to detect and may go undiscovered for years for two reasons:
 - There’s currently no way for businesses to verify a name and birth date when the Social Security Number belongs to a minor. All they see is a clean credit history—so the criminal can attach any identity to it.
 - Trying to get a credit report for the minor won’t work either. Consumers have to give a name and birth date to order a credit report, and those usually won’t match the one with the history of fraud. So, the child may still have no credit report at all. Often, the duplicate numbers aren’t revealed until the victim applies for a loan or credit card in his/her own name and questions the bad credit the lender found.
- ❑ Identity monitoring (which is different from credit monitoring) may be the only reliable way of detecting fraud sooner rather than later.

Source: Richard Power, Child Identity Theft, Carnegie Mellon CyLab Report

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Protect From Fraud

The Federal Trade Commission (FTC) recommends:

- Deter** misuse of your information.
- Detect** when you have a problem.
- Defend** yourself from loses.

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Student Guide, pages 35-36

- Introduce students to the Federal Trade Commission’s strategy to Deter, Detect, and Defend against identity fraud. Arrange for a student to read about the information to keep safe (Deter section, page 35) and how to deter thieves (Keep It to Yourself, page 36). Pause to allow students time to complete **Activity 2.10: Take Preventive Action**. Ask students voluntarily to share any relevant stories about strategies they already use to protect their personal profiles.

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LESSON 2-5: IDENTITY FRAUD

7 Tips to Thwart Thieves

- Keep sensitive information close to the vest.
- Lighten up your wallet.
- Never leave blanks on a charge slip.
- Stick to secure web pages.
- Shred ruthlessly.
- Be computer safe by using firewalls, anti-spyware, and anti-virus software.
- Guard your Smartphone, too!

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- ❑ Share additional strategies that help to prevent from having personal information misused.

7 Tips to Thwart Identity Thieves: Here are seven more strategies to help you steer clear of trouble:

- **Keep sensitive information close to the vest.** Don't give to *anyone* unless you've contacted them and know they're a reputable company. Whenever a business asks for your Social Security Number, ask if you can use another identifier instead.
- **Lighten up your wallet.** Only carry your Social Security card when you need it (like for employment paperwork). Also, leaving unneeded credit and debit cards at home will limit the work if your wallet is lost or stolen.
- **Never leave blanks on a charge slip.** Draw lines through them so someone can't add new amounts.
- **Stick to secure web pages.** Don't enter personal information on sites you've clicked to from an email link—type the company's URL into your browser instead. Also, look for a padlock symbol and "https:" at the beginning of the URL to confirm the page is secure.
- **Shred ruthlessly.** Shred all credit card solicitations you get in the mail, as well as old documents and receipts with social security or complete account numbers on them.
- **Be your computer safe** by using firewalls, anti-spyware and anti-virus software. Keep all software and browsers updated. And never enter sensitive information or access financial accounts on a public or unsecure Wi-Fi connection.
- **Guard your Smartphone too!** They're a treasure trove of personal information these days. Use auto-lock with a password, don't turn Wi-Fi and Bluetooth on until needed, and verify apps are safe by doing a quick online search before downloading anything.

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Be on the Lookout!

- Review your accounts and billing statements.
- Sign up for email or text-messaging alerts to be informed of account activity.
- Review your credit report (at least once a year).

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Student Guide, page 37

- ❑ Display this slide as the class reads page 37, including the chart about how customers discover fraud. This is a good time to review the reporting responsibilities that borrowers have when they discover their information has been stolen or possibly misused. Point out that value of confirming statements in a timely manner so any errors or questionable transactions can be reported within the agreement timeframes.

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LESSON 2-5: IDENTITY FRAUD

Take Action

Unauthorized Charges

- File a dispute
- Contact the FTC

Stolen Purse or Wallet

- File a report with each company
- Call your cellphone company

• File a police report.

• Place a **Fraud Alert** on your credit report with all three credit-reporting agencies.

• Write your credit card companies to provide details of incident.

• Document everything related to the situation.

• Check your credit report in a few months for unauthorized activity.

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Student Guide, pages 37-38

- ❑ Point out actions to take when a person has been a victim of fraud. (This information is also available as a handout.) As time allows, introduce students to FTC's Bureau of Consumer Protection website (www.ftc.gov/bcp) to find out how to file a claim either online or in writing or to find out how the Bureau reports news on identity fraud and scams.
- ❑ Read the following scenario to the students. Encourage the students to write at least five action steps in the response to Mariah.

Quick! Take out a sheet of paper and number down the side 1-5, skipping every two or three lines.

Guess what—Mariah has lost her new credit card! She has confided in you but tells you not to worry—she's sure it will turn up soon. She doesn't want to tell her mom for fear she will freak out (again!) and not allow her to ever have a credit card.

Free write for five minutes on what you would tell Mariah to do now that she has discovered that her credit card is missing. Focus on the steps she should take—don't worry about spelling, grammar or punctuation. Try to come up with at least five actions.

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Challenge

Put up your own shield to protect yourself from identity fraud.

- A. Create a checklist of at least five actions you will take, starting now, to protect your personal data.
- B. Over the next week, document evidence that you have carried out the actions.

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- Assign students to create a checklist they will use as a guide to protect their personal data from identity fraud. Arrange a date for the students to report back to you on their progress to carry out the actions.
 - A. Create a checklist of at least five actions you will take, starting now, to protect your personal data.
 - B. Over the next week, document evidence that you have carried out the actions.