

# Oklahoma's Personal Financial Literacy Passport

**Standard 9: The student will identify and explain consumer fraud and identity theft.**

## **Standard 9. Fraud and Identity Theft**

Lesson 9.1 Beware! Consumer Fraud

Handout 9.1.1-Consumer Fraud

Handout 9.1.2-Consumer Fraud

Lesson 9.2 Beware! Identity Theft

Handout 9.2.1-Identity Theft Match



Teacher Presentation Series 9

- 📌 Describe unfair, deceptive, or fraudulent business practices (e.g., pyramid schemes, bait and switch, and phishing).
- 📌 Describe ways to recognize and avoid identity theft (e.g., review monthly financial statements and annual credit reports; and protect personal information and online passwords).
- 📌 Describe methods to correct problems arising from identity theft and fraudulent business practices (e.g., contact national credit bureaus and local/state law enforcement agencies).



# **Standard 9. I**

## **Fraud and Identity Theft**

### **Beware! Consumer Fraud**

# ≡ *Payoff* ≡



- 👛 Identify different kinds of consumer fraud.
- 👛 Recognize how to prevent being victimized by consumer fraud.
- 👛 Determine what steps to take if victimized by consumer fraud.

# Down Payment



Alfredo's mom is at the door to meet him when he comes from school. His credit card bill came in today's mail, and Mom is furious.

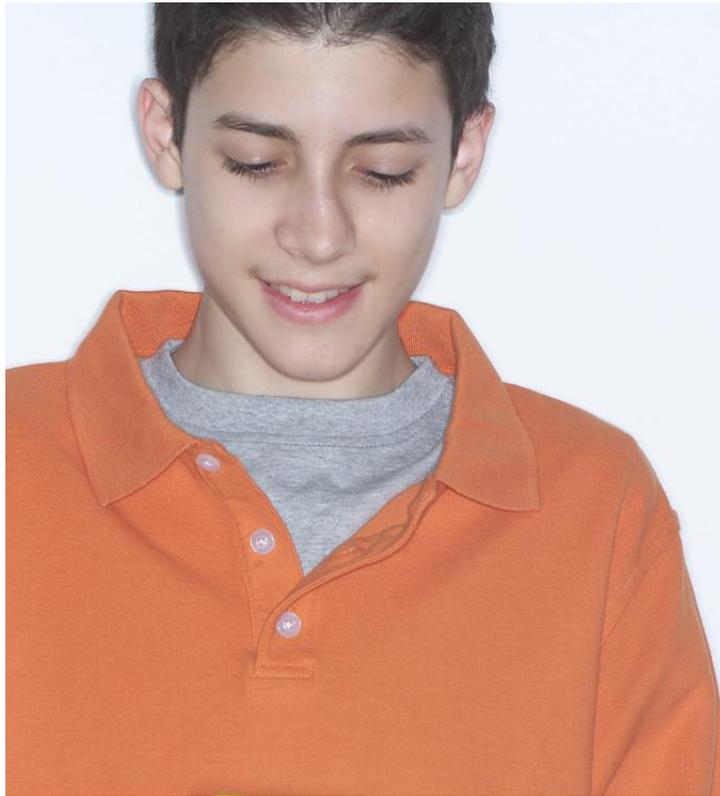


Alfredo had ordered magazines on a credit card he promised to use only for gasoline for his car and school-related expenses.

# Down Payment



What should Mom do?



- Take away his credit card because he broke his promise?
- Make him pay for those magazines?
- Cancel this credit card because it seems obvious that Alfredo is not trustworthy?

# == Cache ==



👛 Federal Trade Commission

👛 Fraud

👛 Identity Theft

👛 Federal Trade Commission

👛 Fraud

👛 Identity Theft

# == Building Interest ==



📁 Offers come to us everyday:

- Through the mail
- Over the telephone
- Through E-mail
- Over the Internet



📁 Ultimate goal of scammers:

- Get our money!

# == *Building Interest* ==



- 💰 What are some of the most common “scamming schemes” used?
- 💰 What is fraud?
- 💰 What are some things that you can do to avoid being a victim of fraud?

# Is Fraud a Crime?



- ✔ Yes, any form of fraud is a criminal act and anyone knowingly participating in it can be prosecuted.
- ✔ It is also a violation of civil law. A civil fraud generally means that someone intentionally set out to deceive another person for gain.



# Protecting Yourself from Consumer Fraud



👛 The best guard against consumer fraud is awareness.

👛 Bottom line:

***If something seems too good to be true, it probably is!***

# Steps to Take if Victimized



- 📌 If you become the victim of a fraud or even suspect you might be, let your parents know and contact your local law enforcement officials immediately.
- 📌 Law enforcers review consumer complaints to spot trends and build cases against computer hackers, identity thieves, and scam artists.

# Steps to Take if Victimized



 In Oklahoma, the best place to start is by calling the Office of the Attorney General at 405-521-3921 or 918-581-2885



# == *Earnings* ==



- 💰 Consumer fraud has a major impact on consumers and on the overall economy of the United States.
- 💰 According the FTC survey on consumer fraud in 2004, people with moderate to low incomes and lower levels of education are more likely to be victims; however, anyone can become a victim.

# == *Earnings* ==



- 🗿 When it comes to your money and your personal information, trust only those people you know to be trustworthy.
- 🗿 If you do become a victim, take immediate steps to contact law enforcement officials.



# == *Balance Sheet* ==



- 👤 Identify and describe three common types of fraud.
- 👤 Identify three things you can do to avoid becoming a fraud victim.
- 👤 What should you do if you suspect you are a victim of fraud?

## == ***Paid in Full*** ==



- 👤 Do you think Alfredo might be a victim of consumer fraud?
- 👤 The answer is yes. It appears that he is a victim of false billing fraud.
- 👤 Alfredo and his mother the credit card company to ask about the charges.
- 👤 The charges were being made by a fake company. The charges were removed from his card.



# **Standard 9.2**

## **Fraud and Identity Theft**

### **Beware! Identity Theft**

## **Down Payment**



- 👤 Josh received a letter from the Internal Revenue Service demanding that he pay \$5,700 in back taxes.
- 👤 The IRS letter said that Josh had worked at several places in five different states. But Josh is only 15 and has lived in Oklahoma all of his life.
- 👤 What should Josh do?

# = Payoff =



- Describe the crime of identity theft.
- Explain how to prevent being victimized by identity theft.
- Determine what steps to take if victimized by identity theft.



# == *Cache* ==



👛 Federal Trade Commission

👛 Fraud

👛 Identity Theft



# == *Building Interest* ==



- 💰 What is Identity Theft?
- 💰 Why are young people good targets for Identity Theft?
- 💰 What are some of the possible consequences of Identity Theft?

# How do they do it?



👤 ID thieves use many methods:

- Dumpster Diving
- Skimming
- Phishing
- Changing Your Address
- Stealing
- Pretexting
- Hacking



# How do they do it?



- 👤 How can you protect yourself from ID theft?
- Monitor your billing statements and your bank statements each month.
  - Check your credit report on a regular basis.
  - Subscribe to one of several business services that will monitor your monthly payments on a regular basis.

# How to Protect Yourself from ID Theft



🔒 Safety measures you may want to consider:

- Use passwords on your credit card, bank and cell phone accounts.
- Put your personal information in a secure place.
- Only enter personal data on secure web sites.
- Shred all papers with your personal information before throwing them in the trash.

# How to Protect Yourself from ID Theft



🔒 Safety measures you may want to consider: (continued)

- NEVER give out any personal information on the phone, through the mail, on the Internet, in an email or in person unless you are sure with who whom you are dealing.
- Avoid cutting and pasting or clicking web links from emails, unless you are certain it is a valid link.
- Place your outgoing U.S. mail in a postal mail drop or take it to the post office.

# How to Protect Yourself from ID Theft



🔒 Safety measures you may want to consider: (continued)

- Leave your Social Security Number card in a secure place.
- Be careful about giving out your Social Security number or using it as an ID number.
- Carry only the identification information and the credit/debit cards you actually need.
- Avoid responding to promotions.

# How to Protect Yourself from ID Theft



 Safety measures you may want to consider: (continued)

- Keep your purse or billfold in a safe place at school and at work.
- Order a copy of your credit report from the three primary credit bureaus to monitor your credit history.



# Steps to Take if Victimized



 If you become the victim of a fraud or even suspect you might be, let your parents know and contact your local law enforcement officials immediately.



# Steps to Take if Victimized



 The Federal Trade Commission recommends the following actions if you become a victim:

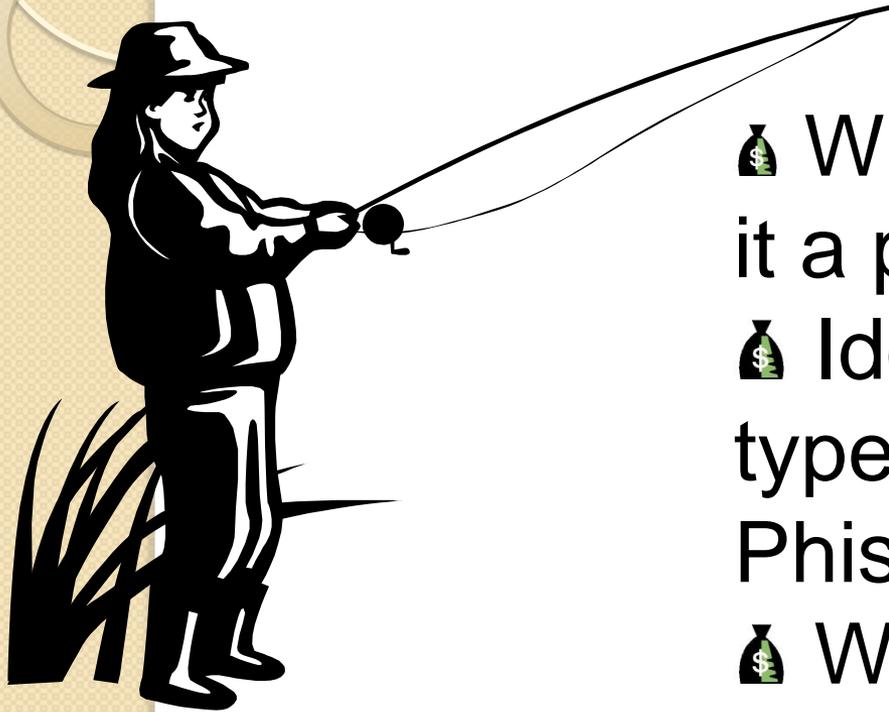
- Contact the Fraud Division of the three credit bureaus.
- Contact credit card companies or the issuers of any other cards that were affected.
- File a complaint with the Federal Trade Commission.
- Contact the your local police.

## == *Earnings* ==



- 💧 Consumer fraud has a major impact on consumers and on the overall economy of the United States.
- 💧 When it comes to your money and your personal information, trust only those people you know to be trustworthy.
- 💧 If you do become a victim, take immediate steps to contact law enforcement officials.

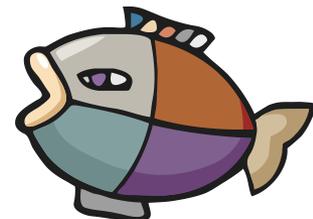
# ≡ Balance Sheet ≡



💰 What is forgery and why is it a problem?

💰 Identify some common types of “bait” used in a Phishing scheme.

💰 Why is using your birth date as a password probably not a good practice?



## == ***Paid in Full*** ==



- 👤 Josh's Grandpa called the IRS to get more information and the Attorney's General office to find out what should be done.
- 👤 They recommended Josh and Grandpa contact the Social Security Administration because someone was using Josh's number.
- 👤 Many phone calls and letters later, they got the problem resolved and Josh's name cleared.

## == ***Paid in Full*** ==



- 💰 Mary Jane is headed for credit card trouble!
- 💰 While using a credit card for online purchases tends to be the best form of online payment, she needs to get control of her spending before it starts controlling her.

# Handout 9.1.2

## Consumer Fraud

👤 Discuss the various methods of consumer fraud included in the puzzle clues and decide the top three methods that would be most difficult to protect yourself against.

