Beware!
Consumer Fraud

Overview
This lesson discusses the different types of fraud and how to avoid becoming a fraud victim.

Lesson Objectives
Students will be able to:
- 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.

Lesson Procedures
1. Have students read Lesson 9.1. Use the Introduction scenario in the lesson as an overview for the lesson. Ask students if Liam’s mom should take his card away. If everyone says yes, be sure to discuss the potential for mistakes in billing or someone else using his account number without his permission.

2. Review the lesson content, focusing on the main points. Remind students of the importance of protecting themselves from the potential of becoming a victim of fraud. Use Activity 9.1 to review the lesson’s main concepts. You may want to have students explain the terms used in the puzzle after they are unscrambled.

3. Conclude the lesson by revisiting the FINAL NOTE.


“The challenge for capitalism is that the things that breed trust also breed the environment for fraud.”
James Surowiecki

VOCABULARY
Federal Trade Commission
Fraud
Identity theft
Beware!
Identity Theft

Overview
This lesson discusses the problem of identity theft and steps to take if victimized.

Lesson Objectives
Students will be able to:
- 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.

Lesson Procedures
1. Have students read Lesson 9.2. Use the Introduction scenario in the lesson. You might even find recent video clips or news articles about ID theft issues with the IRS to share with students, especially around April 15.

2. Review the lesson content, focusing on the main points. Remind students of the importance of protecting themselves from the potential of becoming a victim of fraud. Use Activity 9.2 to review and apply the main concepts. Debrief the activity.

3. Conclude the lesson by revisiting the FINAL NOTE.


"High bankruptcy rates, increased credit card debt, and identity theft make it imperative that all of us take an active role in providing financial and economic education during all stages of one's life."
Ruben Hinojosa

Vocabulary
(Same as in Lesson 9.1)
Clap Out Game

Overview
This activity can be used to review the content in Standard 9.

Materials
- List of questions

Procedures
1. Divide the class in half (or thirds). Have students in each group form a single-file line facing the front of the room. Read the first question and have the student in front of the line to clap his/her hands to answer the question. If the student gives a correct answer, the team gets one point. If the student gives an incorrect answer, subtract one point from the team’s total. Reread the question to see if the other team(s) wants to answer. The students who are first in line go to the back, placing a new person at the front of the line.

2. Options: Depending upon your class, you may want to have an uneven number of students in each group to ensure they are competing against a different student each time they come to the front. Or, you may choose to have the student with the correct answer remain for a second question while sending the student(s) who either did not answer the question or who gave an incorrect answer go to the back of the line.

3. Repeat until all questions are asked. You may also want to add or substitute your own questions.
Clap Out Questions

1. What should you do if someone calls saying you owe taxes to the IRS and they want your bank account number to transfer the funds to the government?

2. What is meant by “bait and switch”?

3. Taking money from your employer without his or her permission or knowledge is called _______.

4. If you get a phone call saying they have detected a problem with your computer, you should _______.

5. Stealing money or getting other benefits by pretending to be someone else is called _______.

6. What does it mean if a web page address has https at the beginning?

7. What is a skimmer?

8. If you receive a credit card offer in the mail, you should _______.

9. Where should you keep your Social Security card?

10. Name one of the three credit bureaus.

11. What is “pretexting”?

12. What is a Ponzi scheme?

13. How frequently can you get a free copy of your credit report from a credit bureau?

14. Creating false documents or signatures that look like the real thing is called _______.

15. What is it called when a company makes false claims about its products?
Overview
This activity can be used to review the content in Standard 9.

Materials
- Computer for students
- Index cards
- Pen (each group needs something to write with)

Procedures
1. Put students into small groups. Have each group research different types of scams, visiting web sites such as www.ftc.gov, www.onguardonline.gov, or www.consumer-action.org. Give each group at least two index cards. Tell them to write a scenario depicting a fraudulent or deceptive practice on one card and a legitimate business activity on the other card. Have one person from each group read one of their cards to the rest of the class, asking them to respond if it is fraud or not fraud. Have the class explain their answers. Revisit each group so they can read their second scenario and explain why it is fraud or not fraud.

2. Option: Depending upon your class or the time allowed, you may choose to have them write more than one fraud scenario and repeat the question/answer session more than once per group.
Extending the Lessons

Use the quotes in the Teacher’s Guide as an introductory discussion or review for the lessons.

Create a “Catfishing Mystery Theater.” The scenario would include:
   a) Ava, a middle aged single woman looking for someone to date. She joins an online dating service.
   b) Derrick’s online profile describes him as an investment entrepreneur living in Montreal, Canada. He says he is looking for a long-term relationship. (Catfish)

Resources

Lessons:


Free lesson plans at http://www.econedlink.org/

Videos/Online Resources:

Teaching ideas and online games at https://www.onguardonline.gov/


Teaching Tools:

Scam alerts and other resources at https://www.consumer.ftc.gov/

Recent scam alerts at https://www.bbb.org/scamtracker/oklahoma-city/

General personal finance resources available at:

- www.federalreserveeducation.org
- www.mymoney.gov
- www.jumpstart.org

MoneyIsOk.org
Tools for implementing Oklahoma’s Financial Literacy Standards