

Defining fraud and identity theft

Students define key terms related to fraud and identity theft and create a word wall in the classroom.

Learning goals

Big idea

Fraud and identity theft hurt millions of Americans every year.

Essential questions

- What are the most common types of fraud and identity theft?
- How do fraud and identity theft pose a financial risk to me?

Objectives


- Define common types of fraud and identity theft
- Understand why fraud and identity theft pose a financial risk

What students will do

- Research and define common types of fraud and identity theft.
- Record definitions on poster board or index cards.
- Create a word wall in the classroom as a reference.

KEY INFORMATION

Building block:

 Financial knowledge and decision-making skills

Grade level: High school (9-12)

Age range: 13-19

Topic: Protect (Preventing fraud and identity theft)

School subject: CTE (Career and technical education), English or language arts, Fine arts and performing arts, Social studies or history

Teaching strategy: Direct instruction

Bloom's Taxonomy level: Remember

Activity duration: 15-20 minutes

STANDARDS

Council for Economic Education
Standard VI. Protecting and insuring

Jump\$tart Coalition
Risk management and insurance -
Standard 1

Preparing for this activity

- Print copies of all student materials or prepare for students to access them electronically.
- Reserve or secure a computer or tablet with Internet access for each student or group of students. If that's not possible, you can do the research yourself and print out a few handouts with definitions for students to use.
- Gather art supplies (poster board or paper and markers) for students to use.

What you'll need

THIS TEACHER GUIDE

- Defining fraud and identity theft (guide)
[cfpb_building_block_activities_defining-fraud-identity-theft_guide.pdf](#)

STUDENT MATERIALS

- Defining fraud and identity theft (worksheet)
[cfpb_building_block_activities_defining-fraud-identity-theft_worksheet.pdf](#)
- Computer or tablet (optional)
- Art supplies

Exploring key financial concepts

Millions of Americans are victims of fraud or identity theft each year. No matter where you live or how old you are, you may someday be affected by these crimes. Knowing how to identify fraud and identity theft is part of becoming financially literate.

TIP

Students should be encouraged to always look for the most up-to-date information.

Teaching this activity

Whole-class introduction

- Distribute the “Defining fraud and identity theft” worksheet.
- Introduce students to the key vocabulary terms below. Since students will define these terms as part of the activity, introduce the terms, but not to the definitions.
 - **Data breach:** The unauthorized movement or disclosure of sensitive information to a party, usually outside the organization, that is not authorized to have or see the information. Someone who gets the data might use it for identity theft.
 - **Elder financial exploitation:** The illegal or improper use of an older adult’s funds, property, or assets by family members, caregivers, friends, or strangers who gain their trust.
 - **Foreclosure relief scam:** Schemes to take your money or your house often by making a false promise of saving you from foreclosure; includes mortgage loan modification scams.
 - **Identity theft:** Using your personal information – such as your name, Social Security number, or credit card number – without your permission.
 - **Imposter scam:** An attempt to get you to send money by pretending to be someone you know or trust, like a sheriff; local, state, or federal government employee; a family member; or charity organization.
 - **Mail fraud scam:** Letters that look real but contain fake promises. A common warning sign is a letter asking you to send money or personal information now to receive something of value later.
 - **Phishing scam:** When someone tries to get you to give them personal information, such as through an email or text message, often by impersonating a business or government agency. This can be thought of as “fishing for confidential information.”
 - **Spoofing:** When a caller disguises the information shown on your caller ID to appear as though they are calling as a certain person or from a specific location.
 - **Tax-related identity theft:** When someone steals your Social Security number to file a tax return claiming a fraudulent refund; may also be called tax-filing-related identity theft.

TIP

Visit CFPB’s financial education glossary at consumerfinance.gov/financial-education-glossary/.

- **Wire transfer fraud:** Tricking someone into wiring or transferring money to steal from them. One common example of a wire transfer fraud is the “grandparent scam.” This is when a scammer posing as a grandchild or a friend of a grandchild calls to say they are in a foreign country, or in some kind of trouble, and need money wired or sent right away.

Group work

- Divide the class into four groups.
- Assign each group two types of fraud or identity theft.
- Direct students to research their fraud or scam using one or both of the resources listed on the worksheet (or a printed handout you’ve created) and write down the definitions for each.
- Check their definitions to ensure they’re accurate and thorough.
- Distribute paper and art supplies and instruct student groups to create their definition posters for the word wall.

Wrap-up

- As each group shares their definitions, instruct the class to record them on their worksheet.
- Groups should hang their definition cards on the word wall.

Suggested next steps

Consider searching for other [CFPB activities](#) that address the topic of protect, including managing risk and preventing fraud and identity theft.

Measuring student learning

Student discussion about the meaning of different types of fraud and identity theft will give you a picture of their developing understanding of the concepts.