

Investigating types of fraud and identity theft

Students identify different types of fraud and identity theft in real-world scenarios.

Learning goals

Big idea

Fraud and identity theft hurt millions of Americans each 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


- Review the characteristics of common fraud and identity theft
- Identify the types of fraud and identity theft described in a real-world scenario

What students will do

- Review a list of common types of fraud and identity theft.
- Identify types of fraud and identity theft described in given scenarios.

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), Social studies or history

Teaching strategy: Competency-based learning, Cooperative learning, Direct instruction

Bloom's Taxonomy level: Understand, Analyze

Activity duration: 45-60 minutes

STANDARDS

Council for Economic Education
Standard VI. Protecting and insuring

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

Financial decision-making -
Standards 1 and 7

Preparing for this activity

- While it's not essential, having students complete the "[Defining fraud and identity theft](#)" activity before doing this activity may provide students with context and background knowledge to make this a richer experience.
- Print copies of all student materials or prepare for students to access them electronically.

What you'll need

THIS TEACHER GUIDE

- Investigating types of fraud and identity theft (guide)
[cfpb_building_block_activities_types-fraud-identity-theft_guide.pdf](#)

STUDENT MATERIALS

- Investigating types of fraud and identity theft (worksheet)
[cfpb_building_block_activities_types-fraud-identity-theft_worksheet.pdf](#)

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 'Investigating types of fraud and identity theft' worksheet.
- Be sure students understand key vocabulary:
 - **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.

TIP

Visit CFPB's financial education glossary at [consumerfinance.gov/financial-education-glossary/](#).

- **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:** Scheme 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.
- **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.

TIP

Since understanding types of fraud and identity theft is important for students to successfully complete this activity, be sure to review these definitions so students are familiar with similarities and differences. You might consider creating an anchor chart with the definitions to hang on classroom walls, or have students create word walls with the vocabulary terms as described in the “Defining fraud and identity theft” activity. Remind students to refer to these definitions to help them identify the fraud or scam described in each scenario.

Individual or group work

- Students can work individually or with a partner to identify which type of fraud or scam is being described in each scenario.
- They should record their answers using the terms on their worksheet.

Wrap-up

Review the answers and make sure students understand how to differentiate between these types of fraud and identity theft.

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

To formally assess student understanding of the types of fraud and identity theft, you can score student worksheets using the answer guide provided.

Keep in mind that students' answers may vary, as there may not be only one right answer. The important thing is for students to have reasonable justification for their answers.

Answer guide

1. c - Phishing scam
2. f - Tax-related identity theft
3. a - Mail fraud scam
4. g - Spoofing
5. e - Wire transfer fraud
6. b - Imposter scam
7. d - Identity theft
8. j - Elder financial exploitation
9. i - Data breach followed by misuse of data
10. h - Foreclosure relief scam