

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.
- Create posters showing their definitions.
- Create a word wall in the classroom.

NOTE

Please remember to consider your students' accommodations and special needs to ensure that all students are able to participate in a meaningful way.

KEY INFORMATION

Building block:

-  Financial knowledge and decision-making skills

Grade level: High school (9-12)

Age range: 13-19

Topic: Protect (Managing risk, 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

National Standards for Personal Financial Education, 2021

Managing credit: 12-2

Managing risk: 12-11

Spending: 12-8

These standards are cumulative, and topics are not repeated in each grade level. This activity may include information students need to understand before exploring this topic in more detail.

Preparing for this activity

- Print copies of all student materials, or prepare for students to access them electronically.
- Secure computers or tablets with Internet access for each group of students to use to research common types of fraud and identity theft. If that's not possible, you can do the research yourself and print out a few handouts with definitions for students to use.
- Gather poster board or paper and markers for students to use to create posters.

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](#)
- Computers or tablets with Internet access
- Poster board or paper and markers

Exploring key financial concepts

Fraud is an illegal act that occurs when people try to trick you out of your personal information and your money. Identity theft is when someone uses your personal information – such as your name, Social Security number, or credit card number – without your permission. 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. Identity theft can happen over the phone by answering personal questions or online by clicking suspicious links, answering social media quizzes that ask for personal information, or opening emails from unknown sources on your computer or phone. Companies or businesses that are genuine usually have passcodes or other methods to protect your personal information. For example, many companies now use something called two-factor authentication.

TIP

Because terms and laws related to fraud and identity theft change, students should be encouraged to always look for the most up-to-date information.

This requires people to use two methods to sign into an account to make it harder for criminals to access the account. Criminals can also steal your personal information from companies or businesses. Knowing how to recognize fraud and identity theft can help you protect your money.

Teaching this activity

Whole-class introduction

- Ask students if they've heard of fraud or identity theft and to share what they think those terms mean.
- Read the "Exploring key financial concepts" section to students to explain fraud and identity theft.
- Distribute the "Defining fraud and identity theft" worksheet, which lists the key vocabulary terms they'll need for the activity.
- Introduce students to the key vocabulary terms, also listed below. Since students will define these terms as part of the activity, introduce the terms, but not 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:** 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.

TIP

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

- **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.”
- **Romance scam:** When a new friend says they like or love you, but they really just want your money—and may not be who they say they are.
- **Scam:** A dishonest trick used to cheat somebody out of something important, like money. Scams can happen in person, through social media, or by phone, email, postal mail, or text.
- **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.

Group work

- Tell students that they’ll research and define types of fraud or identity theft.
- Divide the class into five groups.
- Give each student or group a computer or tablet with Internet access.
- Assign each group two types of fraud or identity theft.
- Direct students to research their types of fraud or identify theft 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.
- You can use the key vocabulary list in this guide to check students’ definitions.
- Distribute poster board or paper and markers and instruct the groups to create their definition posters for the word wall.
- Have each group share their definitions with the class.

- As the groups share their definitions, tell the class to record them on their worksheets.
- Groups should hang their definition posters on the word wall.

Wrap-up

If time allows, ask students to share why they think it's important to be able to recognize fraud and identity theft.

Suggested next steps

Consider searching for other [CFPB activities](#) that address the topic of protection, including managing risk and preventing fraud and identity theft. Suggested activities include ["Acting out fraud and identity theft"](#) and ["Investigating types of fraud and identity theft"](#).

Measuring student learning

Students' answers on their worksheets and during discussion can give you a sense of their understanding. Keep in mind that students' answers may vary. The important thing is for students to have reasonable justification for their answers.