

Reporting fraud or identity theft to authorities

Students match fraud and identity theft crime descriptions with appropriate action steps to take in the event of a real-life crime.

Learning goals

Big idea

Fraud and identity theft hurt millions of Americans every year.

Essential questions

- What can I learn from other people's experiences to better protect my financial identity?
- How do I report fraud and identity theft?

Objectives



- Understand types of fraud and identity theft
- Become familiar with how to report fraud and identity theft

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 habits and norms
-  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, Physical education or health, Social studies or history

Teaching strategy: Blended learning, Simulation

Bloom's Taxonomy level: Understand, Analyze, Create

Activity duration: 45-60 minutes

National Standards for Personal Financial Education, 2021

Managing credit: 12-12

Managing risk: 8-7, 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.

What students will do

- Analyze fraud and identity theft scenarios.
- Research action steps fraud and identity theft victims should take to address or report their experience.

Preparing for this activity

- While it's not necessary, completing the "[Defining fraud and identity theft](#)" activity first may make this one more meaningful.
- Print copies of all student materials, or prepare for students to access them electronically.
- Obtain computers or tablets with Internet access for students so they can do research or provide them with printed versions of research materials.
- To support Spanish-speaking students, there is a Spanish version of this activity.
 - You can use just the worksheet available at https://files.consumerfinance.gov/f/documents/cfpb_building_block_activities_como-denunciar-robo-de-identidad_tabla.pdf.
 - A Spanish version of the guide is available at https://files.consumerfinance.gov/f/documents/cfpb_building_block_activities_como-denunciar-robo-de-identidad_guia.pdf.

What you'll need

THIS TEACHER GUIDE

- [Reporting fraud or identity theft to authorities \(guide\)](#)
[cfpb_building_block_activities_reporting-fraud-theft-to-authorities_guide.pdf](#)

STUDENT MATERIALS

- [Reporting fraud or identity theft to authorities \(worksheet\)](#)
[cfpb_building_block_activities_reporting-fraud-theft-to-authorities_worksheet.pdf](#)
- Computers or tablets with Internet access

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. 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.

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.

Teaching this activity

Whole-class introduction

- Ask students if someone they know was a victim of fraud or identity theft.
 - Ask volunteers to briefly share what happened and whether the person reported the incident to authorities.
- Read the “Exploring key financial concepts” section to students.
- 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.
 - **Fraud:** An illegal act that occurs when people try to trick you out of your personal information and your money.
 - **Identity theft:** Using your personal information – such as your name, Social Security number, or credit card number – without your permission.

TIP

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

- **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.
- **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.

Individual or group work

- Distribute the “Reporting fraud or identity theft to authorities” worksheet.
- Students can work individually or with a partner on this activity.
- Give each student or pair a computer or tablet with Internet access.
- Point out two sections of the worksheet: the list of action steps and the descriptions of fraud and identity theft.
- Explain that their task is to match the description with the action step they should take.
- Tell students they can use <https://www.usa.gov/identity-theft>, www.identitytheft.gov, <https://www.consumerfinance.gov>, and the other sites listed on the worksheet to research supports for fraud and identity theft victims.
- Explain that students should include reasons for their answers, using evidence where possible.
- Once students are done, ask volunteers to share their answers.
- Ask the class to stand if they agree with the answer or to sit to indicate if they disagree.
 - Students who are unsure can raise both hands while seated or use a gesture you choose.
 - You can use the answer guide to help guide the discussion and share additional information.

Wrap-up

If time allows, ask students to share whether they think it’s important to report fraud and identity theft and why.

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 [“Examining the statistics on fraud and identity theft”](#) and [“Acting out fraud and identity theft”](#).

Measuring student learning

Students’ answers on their worksheets and during discussion can give you a sense of their understanding.

The answer guide on the next page provides possible answers for the “Reporting fraud or identity theft to authorities” worksheet. **Keep in mind that students’ answers may vary.** The important thing is for students to have reasonable justification for their answers.

Answer guide

Below are suggested answers connecting the fraud and identity theft crime descriptions to specific action steps.

Description	Action step
<p>1. Credit reporting company Equifax had a data breach in 2017 that affected over 140 million people. If you believe someone is using information about you that they may have obtained from this or another data breach and you want to report an identity theft, what should you do?</p>	<p>B. Go to https://www.usa.gov/identity-theft or www.identitytheft.gov to learn steps to take if you are a victim of a data breach. You could also see if the credit reporting company has a website dedicated to the breach or another resource to learn more about what they have shared with consumers.</p> <p>Note: In data breaches like Equifax's in 2017, there may be a court settlement that can provide additional rights; see https://www.equifaxbreachsettlement.com/ as an example.</p>
<p>2. There is an error on your credit report, and you think the error is due to fraud. You have already reported it to your credit card company and to the credit reporting company. Your credit card company refuses to take action, and you believe you're being treated unfairly. What actions can you take?</p>	<p>A. Notify the credit reporting company about the error and then notify the Consumer Financial Protection Bureau about how the credit card company refused to take action: https://www.consumerfinance.gov/complaint/.</p>
<p>3. You got a notification that you've received and cashed your tax refund, but you haven't even filed your taxes yet! You suspect you're a victim of fraud, and someone is illegally using your identity to file taxes. What should you do to report this concern?</p>	<p>D. Contact the IRS: https://www.irs.gov/identity-theft-central or https://www.irs.gov/newsroom/taxpayer-guide-to-identity-theft</p>
<p>4. You accessed your bank account online and it shows a debit that you know you didn't make. What should be your first step: contacting your bank or contacting the government authorities?</p>	<p>C. Inform your bank immediately. This should be the first step when you suspect your card number is being misused. Each bank has its own toll-free number to report fraud and theft.</p> <p>Note: If you feel you are not being treated fairly by your bank, contact the Consumer Financial Protection Bureau and report the incident at www.consumerfinance.gov/complaint/.</p>