

CDFS 600 – Module 4 Lesson Plan

Identity Theft

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Time Allotment: 1 class period

Grade Level or Target Audience: High School Grade 10-12

ND Standards Competencies:

ND Family and Consumer Science Standard 2.0 Consumer and Family Resources – Evaluate management practices related to the human, economic, and environmental resources.

2.1 Demonstrate management of individual and family resources.

2.3 Identify consumer rights and responsibilities

Key Economic Concepts:

Identity Theft

Prevention of Identity Theft

Brief Description:

In this lesson, students learn about the seriousness of identity theft and how they can prevent it from happening to them.

Learner Objectives:

- Develop skills necessary to prevent identity theft.
- Understand how identity theft can ruin financial resources.
- Develop skills necessary to prevent the theft of credit cards.
- Understand how stolen credit cards are used illegally.

Introduction:

Identity theft occurs when someone wrongfully acquires and uses a consumer's personal identification, credit, or account information. Individuals whose identities have been stolen can spend months or even years and thousands of dollars cleaning up the mess thieves have made of their name and credit record.

Materials Needed:

Protect Your Identity Worksheet

Identity Theft Scenarios

Audio/Visual Equipment Needed:

Overhead machine/chalkboard

Lesson Outline:

Ask students to look through their wallets or purses and find all of the information which tells something about who they are (their identity). Explain that wallets and purses are the most common item an identity thief steals.

- On the overhead, compile a list of information categories the students found in their wallets. (Name, address, phone numbers, credit card numbers, credit card receipts, driver's license number, insurance card, social security number, paycheck stubs, and banking information such as checking and/or savings account numbers, ATM card, debit card, deposit slips).
- Discuss ways they think this information can be used fraudulently.

Discuss what identity theft is. Be sure to highlight statistics related to identity theft to give students a picture of how large this problem is – also, relate any personal stories of identity theft or family or friends who have been victims.

- In January 2003, the Federal Trade Commission reported that 380,000 “identity theft” complaints were filed.
- Identity theft complaints accounted for 43% of consumer fraud complaints in 2002, making it number one on the government’s list of complaints. Fraud associated with internet auctions was a distant second with only 13% of the complaints.
- The Justice Department reported in January 2003 that up to 700,000 people in the U.S. may become victims of identity theft each year.
- The Federal Trade Commission reports the dollar loss suffered because of identity theft was 343 million in 2002.

Discuss personal identification information that identity thieves steal and how that information can be used. The most common way is by stealing a person’s wallet or purse. Thieves may steal mail or complete a change of address form to receive an individual’s bills and statements. They may also fraudulently obtain an individual’s credit report. Personal information can be found in a victim’s home or on the internet. Information carelessly discarded into the trash can be stolen when a thief goes “dumpster diving.” Individual’s can be scammed by phone, internet, or e-mail. Finally, a thief with “insider access” to records at the workplace can learn an individual’s home address, social security number, and possibly even bank account numbers if pay is directly deposited.

Once an identity thief has an individual’s information, it can be used in numerous ways. Identity thieves can:

- Apply for new driver’s licenses;
- Open new bank and credit accounts;
- Apply for credit cards or store credit accounts;
- Obtain cash with bank cards;
- Get jobs;
- Rent an apartment;
- Make retail purchases;
- Get a phone or other utilities;
- File bankruptcy;
- Counterfeit checks;
- Give another person’s name during an arrest.

Discuss ways to prevent identity theft from happening.

- Check credit reports once per year and immediately dispute any wrong information from each of the three reporting agencies. Do not leave credit reports lying around.
- Deposit outgoing mail in post office collection boxes rather than unsecured mail boxes. Promptly remove mail from the mailbox. If going on vacation, request a vacation hold.
- Do not leave wallets or purses in plain site. Do not hang purses from a chair at a public place. Only carry what is absolutely needed in your wallet or purse.
- Do not carry social security cards, passports, or birth certificates unless absolutely necessary.
- Do not leave statements lying around. Store them in a locked file and shred information not needed.
- Pay attention to the billing cycles and follow up with creditors if bills do not arrive on time.
- Do not give passwords to anyone. Do not write passwords down where others may find them. Create unique passwords which include a combination of numbers and letters in large and small caps. Avoid using information such as mother’s maiden name, date of birth, or social security numbers.
- Do not leave credit/debit cards lying around the home or office. Carry only those which will be used. Close unused accounts and cut up the card. Use debit cards which require a PIN number. Memorize the PIN number. Do not write it down in the same place the ATM or debit card is kept. Carry cards in a separate holder from the wallet. Sign the back credit and debit cards stating “Please see I.D.” Do not give out the account number unless making a purchase. Keep track of all receipts

and destroy papers with the card numbers on them. Do not throw papers in the trash. Check statements for unauthorized charges.

- Shred any credit card offers received and not used. Cut up any pre-approved credit cards not used.
- Do not have check orders mailed home. Pick them up at the bank.
- Ask for an alternate number on driver's licenses, insurance cards, and other materials.

Discuss what to do if identity theft occurs:

- Act immediately.
- Keep a detailed record of correspondence and phone records including the date, contact person, and any specific comments made or actions which will occur.
- Contact the three major credit bureaus and request a "fraud alert" on file. Follow up with a letter and copies of any documentation sent certified mail. In addition, request a credit report from each bureau and carefully check to ensure they are accurate.
- Close all accounts which have been opened fraudulently or tampered with. When opening new accounts, use different passwords and PIN numbers.
- File a police report with the local police or in the local community where the theft took place.
- File a complaint with the Federal Trade Commission.

Activity – Identity Theft Scenarios

Resources:

Family Economics & Financial Education <http://www.familyfinance.montana.edu/>

NEFE High School Financial Planning Program <http://nefe.org/hspfportal/index.html>

Activities:

Identity Theft Scenarios – Divide students into groups of three. Give each group an Identity Theft Scenario and have them determine what they would do in that situation. Share and discuss the scenarios and answers with the class.

Sample Scenarios:

1. Bethany purchased a new pair of shoes from the internet. What steps should she take to ensure her identity was protected while making the purchase?
2. Dana went out to dinner and left her credit card at the restaurant. The next day she called the restaurant and they said they did not have the card. What should she do?
3. Jacob has just finished writing bills. What steps should he take to ensure all bills reach their destinations safely?
4. Sam purchased a bicycle on credit. When he received his credit card statement, he noticed several charges he did not make. What should he do?

Evaluation Plan:

Protecting Your Identity Worksheet – FEFE website

Test questions from notes/discussion