Preventing Financial Fraud

A lesson on identity theft and other forms of financial fraud for grades 9–12
Lesson description

In this lesson, students will learn about various forms of financial fraud, how to prevent becoming a victim, and what to do if they become the victim of identity theft. The lesson focuses on fraud that is particularly relevant to teens and young adults: identity theft, scholarship scams, and ticket fraud. The majority of the time in the lesson is devoted to students participating in “chat stations” in which they respond to a series of questions relating to financial fraud. After debriefing the discussions, students consider ways that peers could be informed about financial fraud using social media.

Objectives

Students will be able to:

• Give examples of various types of financial fraud
• Outline steps a person can take to prevent becoming the victim of fraud
• Explain what a person should do if they believe they are the victim of identity theft

Lesson at-a-glance

<table>
<thead>
<tr>
<th>Section</th>
<th>Purpose</th>
<th>Approximate time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>Introduce the presenter and the topic of the lesson.</td>
<td>5 minutes</td>
</tr>
<tr>
<td>Activity: Financial fraud chat stations</td>
<td>In small groups, students rotate to stations to discuss questions related to financial fraud and then participate in a full class discussion.</td>
<td>30–40 minutes</td>
</tr>
<tr>
<td>Activity: Let’s get social</td>
<td>Students brainstorm ways to use social media to help peers to avoid financial fraud.</td>
<td>5–15 minutes</td>
</tr>
<tr>
<td>Closing</td>
<td>Thank students and remind them to safeguard their personal information.</td>
<td>5 minutes</td>
</tr>
</tbody>
</table>

Total time 45–65 minutes
Prepare

Materials: Arrive prepared.
- Financial fraud chat station questions 1–6—at least one copy of each question to hang around the room
  - Note: Hang these signs around the room before the lesson begins. Additional copies of each sign may be needed with larger groups. If so, keep sets (one through six) together in the same general area of the room. Space signs around the room so that students may congregate near each sign.
- Tape
- Financial fraud chat stations recording sheet handout—one for each student
- Let’s get social handout—one for each student
- Preventing Financial Fraud post assessment—one for each student (OPTIONAL)

Background: Understand the topic.
Financial fraud can occur in many ways. One of the most well-known is identity theft in which a person—known as an identity thief—uses the personal information of the victim without the victim's knowledge for their own financial benefit. For example, a thief might open a credit card in the person’s name and then not pay the bill, or the thief might use an existing credit account to purchase items for themselves. Sadly, children are often victims of these crimes because their credit reports are unused, and theft can go unfound for years. While identity theft comes in many forms and can happen at any age, the result is usually similar. The victim must spend time remedying the situation.

There are other forms of financial fraud that also impact young people. Scholarship scams and ticket fraud are two that are common. With scholarship scams, the victims are students who are looking for assistance to pay for higher education. In the case of ticket fraud, most thieves find their victims online, and the crime isn’t discovered until the person tries to use the ticket and discovers it is a fake.

Students should understand that financial fraud comes in many forms and that there are steps they can take to prevent becoming a victim. No matter what steps a person takes, though, you can still fall prey. Therefore, it is also beneficial for students to understand where to turn if they discover they are the victim of financial fraud.

Vocabulary: Use grade-appropriate definitions.
- Fraud: Using dishonesty, deception, or other tricks in order to take something of value from another person or party
- Identity theft: A crime in which someone acquires and wrongly uses another person's personal information.
- Phishing: Use of email that represents communication from a familiar and trusted organization to lure people into revealing personal or financial information.
- Scam: Fraud; an attempt to deceive another person.
- Social Security number: A nine-digit number assigned by the federal government to track people’s income and benefit eligibilities.
Delivery: *Decide on the format.*

This lesson can be conducted with an entire class or in small groups. For each activity, there are several facilitation options provided. Be sure to review the options in advance and determine which one will work best given the setting, number of facilitators, etc. In some cases, the facilitation option you select will influence the number of handouts needed.

Differentiation: *Be aware of your audience.*

When conducting a lesson on financial fraud such as identity theft, it is important to consider the students and their experiences. Be prepared to acknowledge the range of experiences and backgrounds. Touch base with your classroom teacher in advance to inquire about the student population you will encounter. Below are several examples of situations you may encounter.

- There may be students who know a victim of financial fraud. In such cases, these students may wish to spend time telling their own story. Acknowledge personal experiences but encourage students to avoid giving too many personal details.

- Some students may already be victims of identity theft. In some cases, these situations involve family members knowingly using the child's identity to open new accounts—such as for utilities—in their child's name. Such cases can be delicate to handle and should be deferred to the educator and/or school administration.

- Students in foster care may be at particular risk for identity theft. Federal law mandates that children in foster care be able to receive copies of their credit report at age 16 and requires social service agencies to assist in this process.

Tips for PwC facilitators: *Make the most of your time in the classroom.*

Before facilitating this lesson for the first time, consider the following:

- Read through the entire lesson in advance.

- Touch base with the classroom teacher to make sure you know when to arrive, the process for entering the building, the room setup, photo release protocol, and any available technology. For example:
  - Where should you park? Where should you enter the building? Will find your own way to the classroom or will someone meet you?
  - What is the room set up (individual desks, tables and chairs, etc.)? Will you have access to a whiteboard?
  - Are you allowed to take photos during the lesson? Remember, you are required to get specific written consent from parents/guardians before taking photos of minors. How will you handle the students whose parents/guardians have not given consent?
  - If you opt to use the post-assessments, should students take it using paper and pencil or online with school-provided devices? Will the teacher want to collect the assessments and forward the results, or should you collect them?

- If you will be presenting with another facilitator or team, consider each person’s strengths when deciding who will lead various sections of the lessons, how students will be organized during the lessons, and who is responsible for preparing the materials.
• Remember that adults in most high schools are addressed formally using their title (Mr./Mrs./Ms.). Plan to address the teacher and any of your colleagues in this manner, even if you would normally call each other by first names.

**Educator insights: Adapt this lesson for your classroom.**

PwC is pleased to offer these lessons for use by classroom teachers to support or augment their financial education efforts. Please recognize that the materials were designed for employees to use as facilitators when visiting a class. Therefore, some sections (such as the introduction) may be unnecessary. Feel free to adapt the materials in whatever way makes the most sense for your classroom including the optional extension activities at the end of the lesson.

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**Teach**

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**Opening (5 minutes)**

• Thank the teacher and introduce yourself to the class. Explain to the students that PwC is a professional services firm that is committed to providing all students with financial literacy education through its program, *Access Your Potential*®. In simple terms, explain what you do at PwC and how it relates to what the students will be learning during the lesson.

• Inform students that the topic of today’s lesson is financial fraud.

• Let them know that you will be sharing examples of different types of financial fraud during the lesson and discussing ways that students can protect themselves from becoming victims.

**Activity: Financial fraud chat stations (20–30 minutes)**

**Set up**

• Tell students that you want them to form six groups by “counting off.” Point to one student and tell them they are number one. The next student is number two. Allow them to continue counting. Make sure that after six, the next student begins again with one. Continue until all students have a number between one and six. See Facilitation Options for additional suggestions.

**Implementation**

• Inform students that they will be moving around the room to six different “chat stations.” Each one has a question that their group will discuss. Tell students they will have several

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**Facilitation options:**

There are additional ways to facilitate this lesson.

• Multiple facilitators: If multiple facilitators are available to work with students in small groups, have each group rotate through the stations together and then return back to their tables to engage in a whole group discussion. The value in this activity format is that each group will have different insights and sharing these conversations can be enlightening.

• Larger groups: If the class has more than 40 students, divide it in half before counting off. Hang two copies of each question around the room with a set on each side of the room. This will allow for smaller group sizes and better conversations.
minutes at each station to discuss the question. Encourage students to allow each member of the group to speak and voice an opinion at each station. In other words, they should not take turns with only one person speaking at each station.

- Distribute a copy of the Financial fraud chat stations recording sheet handout to each student. Ask that students carry a pen or pencil with them as they travel to each station and record a few notes at each station.
- Direct students to move to the paper with the same number as their group (i.e., all students with the number one should gather at the sheet labeled as question #1).
- Circulate among the groups and help students stay on track with their discussions.
- Watch the time or set a timer for three minutes.
- After several minutes, announce that it is time to move to the next station. Direct students to move to the next question (following the numbered order). The group at question six should move to number one.
- Repeat this process until each group has been to all of the stations. If students seem to need more or less time at each station, adjust accordingly.
- Once all stations have been completed, direct students to return to their seats.
- Stand near question #1 and read the question. Call on various students to share what their group discussed. Use the Financial fraud chat stations answer key to debrief and add additional information to the discussion.
- Let students know they can use their recording sheet to take additional notes.
- Repeat this process for each of the six questions.

**Conclusion**

- Direct students to turn to a nearby classmate and share one key takeaway from the discussion. What one thing stood out to them the most from the discussion?

**Activity: Let’s get social (5–15 minutes)**

**Set up**

- Ask students what social media platforms they think their peers use most frequently.
- Distribute a copy of the Let’s get social handout to each student

**Implementation**

- Direct students to work independently, with another student, or in a small group to develop a social media post or idea for a post (it could be text-only or include a photo, graphic, meme, etc.) that would get the attention of teens and help them to avoid becoming a victim of financial fraud.

**Conclusion**

- Invite students to share what they created.

**Closing (5 minutes)**

- Reinforce that it is important for people to be smart about their personal information and make wise choices as consumers. Let students know that even if they follow all of the recommendations, they
might still become a victim. As a result, they should be on the lookout for warning signs and not hesitate to ask for help if they suspect they are a victim.

- (Optional) Distribute a copy of **Preventing Financial Fraud post assessment** to each student. Direct students to answer the questions. Inform them that they do not need to put their name on the assessment unless the teacher wishes to keep a copy for grading purposes.

- **Thank** students and the teacher for letting you come and talk to the class about financial fraud. Encourage students to **check their credit at age 16 and again frequently as adults**.

**Teacher-led follow up ideas**

Bulleted list of ways the educator can extend the lesson once the facilitator leaves. Each list will include a mention of a corresponding module from the Digital Classroom, such as:

- Use the **Build Your Defenses** module in the advanced level of the [Earn Your Future ® Digital Classroom](https://app.pwcfdnearnyourfuture.org/) to help students learn even more about financial fraud. This resource made possible by the PwC Charitable Foundation, Inc.®, is designed for students in grades 3–12 and can be delivered in multiple formats (classroom, small group, or individually) and has accompanying educator resource guides to assist in delivery. Students can engage with financial literacy concepts through innovative self-paced modules featuring custom videos, animations, and interactive activities. A free teacher login is required to access the modules.

- Challenge students to locate current statistics related to identity theft and other forms of financial fraud. Using the information they compile, direct them to create a game or online quiz that could be taken by peers to expose them to how widespread a problem financial fraud is and the impact it has on consumers each year.

- Direct students to research a major data breach in which the personal information of many consumers was stolen. They should determine what caused the breach, how consumers were notified, the potential implications for victims, and what was done to help people whose information was stolen. Challenge students to consider what laws or regulations, if any, might be viable to help prevent further breaches.

- Let students know that many individuals, organizations, and companies might have access to their personal information including entities such as schools and doctors’ offices as well as apps and online services. Access to this information is often granted when people agree to “terms and conditions.” Challenge students to find and read the privacy information for an app or service they use. Did they read it when they agreed to it? What can be done to get people to actually read the terms they agree to—especially those which allow people access to private information?
Standards correlation

This lesson is correlated to the National Standards for Financial Literacy from the Council for Economic Education available at [http://www.councilforeconed.org/resource/national-standards-for-financial-literacy/](http://www.councilforeconed.org/resource/national-standards-for-financial-literacy/). Standards are classified as primary or secondary. Primary standards are addressed directly and thoroughly. Secondary standards are addressed indirectly or partially.

<table>
<thead>
<tr>
<th><strong>Primary</strong></th>
<th></th>
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<tbody>
<tr>
<td>Protecting and Insuring:</td>
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<tr>
<td>• Loss of assets, wealth, and future opportunities can occur if an individual's personal information is obtained by others through identity theft and then used fraudulently. By managing their personal information and choosing the environment in which it is revealed, individuals can accept, reduce, and insure against the risk of loss due to identity theft.</td>
<td></td>
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<tr>
<td>• Federal and state regulations provide some remedies and assistance for victims of identity theft.</td>
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<thead>
<tr>
<th><strong>Secondary</strong></th>
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<tbody>
<tr>
<td>Buying Goods and Services:</td>
<td></td>
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<tr>
<td>• Governments establish laws and institutions to provide consumers with information about goods or services being purchased and to protect consumers from fraud.</td>
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</tbody>
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Financial fraud chat station question #1

#1

What do you think of when you hear the term identity thief?

How about identity theft?
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Financial fraud chat station question #2

#2

You get a call from someone saying they are from the Internal Revenue Service and that you owe money for taxes. What should you do?
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Financial fraud chat station question #3

#3

Your friend bought an event ticket from a stranger online that turned out to be fake. What mistake did your friend make?
Financial fraud chat station question #4

#4

As a group, children are one of the fastest-growing victims of identity theft. Why do you think this is happening?
Financial fraud chat station question #5

#5

Have you ever heard of scholarship scams?

What do you think they are?
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Financial fraud chat station question #6

#6

When do you think people should start checking their credit history for signs of identity theft?
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## Financial fraud chat station questions chat stations recording sheet handout

| #1 | What do you think of when you hear the term identity thief? How about identity theft? |
| #2 | You get a call from someone saying they are from the Internal Revenue Service and that you owe money for taxes. What should you do? |
| #3 | Your friend bought an event ticket from a stranger online that turned out to be fake. What mistake did your friend make? |
| #4 | As a group, children are one of the fastest-growing victims of identity theft. Why do you think this is happening? |
| #5 | Have you ever heard of scholarship scams? What do you think they are? |
| #6 | When do you think people should start checking their credit history for signs of identity theft? |
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Financial fraud chat station questions chat stations recording sheet handout

Answer key

#1
What do you think of when you hear the term identity thief? How about identity theft?

**Identity thief**: A person who acquires and wrongly uses another person's personal information

**Identity theft**: A crime in which someone acquires and wrongly uses another person's personal information

Examples: An identity thief gets a person’s name, Social Security number, and address and opens a credit card or loan. Then the identity thief doesn’t pay the bills.

Some identity thieves steal the information themselves. Others buy the information online (often called the “dark web”) and use the information for their own financial gain.

#2
You get a call from someone saying they are from the Internal Revenue Service and that you owe money for taxes. What should you do?

This is an example of an **imposter scam**. People pose as someone else in order to obtain information or get money from the victim.

Examples include people posing as:
- A representative of a bank or other financial company
- A government employee
- A religious official

If the scam happens by email, it is referred to as **phishing**.

Victims should report the crime to local law enforcement as well as the **Federal Trade Commission** or FTC.

#3
Your friend bought an event ticket from a stranger online that turned out to be fake. What mistake did your friend make?

This is an example of a ticket scam. Thieves often create counterfeit tickets with forged barcodes and logos of real ticket companies. Other examples include:

- Charging prices much higher than the face value of a ticket
- Selling duplicates of a legitimate ticket and emailing it to several buyers
- Pretending to sell tickets online to steal your credit card information

To avoid becoming a victim, a person could:

- Purchase tickets from the venue whenever possible.
- Avoid buying tickets from strangers.
- Use payment methods that come with protection such as a credit card.

#4
As a group, children are one of the fastest-growing victims of identity theft. Why do you think this is happening?

Identity thieves like using the Social Security numbers of children because they can often go unnoticed for a long time.

Warning signs include:

- Being turned down for government benefits because the benefits
- Getting a notice from the IRS saying the child didn’t pay income taxes or that the child’s Social Security number was used on another tax return
- Receiving collection calls or bills for products or services you didn’t order or receive
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Financial fraud chat station questions chat stations recording sheet handout

Answer key

#5
Have you ever heard of scholarship scams? What do you think they are?

Scholarship scams happen when unscrupulous companies guarantee or promise scholarships, grants, or fantastic financial aid packages.

Examples include:

- High-pressure sales pitches and the need to pay immediately or risk losing out on the "opportunity"
- A “money-back” guarantee that a student will get a scholarship (When they try to get a refund, they are unsuccessful.)
- Getting a student’s checking account information to “confirm eligibility,” then debiting the account without the student’s consent
- Other companies quote only a relatively small “monthly” or “weekly” fee and then ask for authorization to debit your checking account— for an undetermined length of time
- Charging a processing fee to file the Free Application for Federal Student Aid (FAFSA)—a form students can complete and submit for free

#6
When do you think people should start checking their credit history for signs of identity theft?

The Federal Trade Commission recommends that parents help their child check for the existence of a credit history around age 16.

Doing so can help them identify a problem and correct it before the child needs to apply for a job, credit card, or loan.

To check for a credit history, the parent or guardian will need to contact each of the three nationwide credit reporting companies (Equifax, Experian, and Transunion) and ask them to conduct a manual search. Children in foster care should request assistance from a case manager.
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Let’s get social handout

<table>
<thead>
<tr>
<th>Content: What text and/or image will the post contain?</th>
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<table>
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<tr>
<th>Fraud: What type of financial fraud is the post trying to help people avoid?</th>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Takeaway: What do you hope people who view the post will learn or do as a result of seeing it?</th>
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</thead>
</table>
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Post-assessment

Section 1: Please select the correct answer for each of the following questions.

1. A high-tech scam that uses spam or pop-up messages to deceive consumers into disclosing their card numbers, bank account info, Social Security number, passwords, or other personal information is called
   a. Soliciting
   b. Phishing
   c. Scamming
   d. Consuming

2. A scholarship or financial aid scam may require a student to share his/her
   a. Teacher’s name
   b. Transcript
   c. College application
   d. Credit card or bank account number

3. An identity thief may want
   a. To use your personal information for their own gain
   b. To steal your money
   c. To open a credit line in your name
   d. All of the above

4. You just signed up for your first credit card and want to protect yourself against credit card fraud. What is the best way to do this?
   a. Leave your credit card at home when you travel
   b. Reconcile your account every month and immediately notify your bank of discrepancies
   c. Throw away all credit card statements
   d. Never use your credit card for online purchases

Section 2: Please choose the number on the scale that best indicates how strongly you agree or disagree with the following statements:

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly disagree</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>I understand types of financial fraud.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>I feel confident that I can avoid becoming a victim of financial fraud.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>I am interested in learning more about managing my personal finances.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

Section 3: Circle your grade level.

K 1 2 3 4 5 6 7 8 9 10 11 12
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Post-assessment I Answer key

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