Protecting Yourself from Fraud
including Identity Theft
Advanced Level
Fraud

Fraud – an intentional effort to deceive another individual for personal gain

- Arrests for crimes not committed
- Damaged financial security
- Tarnished credit reports
- Compromised health
Common Types of Fraud

**Identity Theft**
When another’s personal information is used without their permission

**Communications**
Occurs via mass marketing, mail, wire, telephone, Internet, etc. to deceitfully get money from people

Identity theft was the largest consumer fraud complaint reported to the Federal Trade Commission in 2010.
Common Types of Fraud

**Credit**
Applying for and modifying credit (most common involves mortgages)

**Investment**
Investors are deceived by individuals claiming to be financial advisors or have an investment guaranteed to make money

**Tax**
Scammers making claims that a person may be exempt from paying taxes

Do you know anyone that has been a victim of fraud?
How does fraud negatively impact financial well-being?

- Stress
- Anxiety
- Time
- Costs money
Solve the Mystery – Act 2

Listen carefully and take notes to help Lucy find the person who stole her identity
Four Suspects...

The inspector has identified 4 suspects in Lucy’s case.

Colonel Mustard
Searched through Lucy’s outgoing mail

Mrs. Peacock
Guessed Lucy’s PIN number

Mrs. White
Searched through Lucy’s discarded mail

Professor Plum
Searched Lucy’s online banking website

Which type of fraud has been committed against Lucy?
How Does Fraud Occur?

Failed Promises

Accessing Personal Information

Personal Information

Name

Bank Account Numbers

Address & Telephone Number

Credit Card Numbers

Social Security Number

Birthday

Driver’s License Number

What can a scammer do if they gain access to your information?
Personal Information

Search your purses, wallets and backpacks. What are you carrying with you right now that reveals personal information?

- Drivers license
- Debit & credit cards
- Electronic devices
- Identification cards
How Thieves Access Personal Information

- Stealing a purse, wallet, financial records, mail, etc.
- Diverting mail
- Skimming credit and debit card information
- Phishing for personal information via email
- Hacking a computer to install spyware

How did the scammer access Lucy’s information?
Protecting Yourself From Fraud

You are better off in a community than by yourself.

• Government creates and manages agencies designed to protect you from fraud

But, you are also responsible for yourself.

• The best way to avoid fraud it to be alert to the risk and protect yourself
Protect Your Personal Information

- Don’t carry your Social Security Card
- Sign credit and debit cards with signature and “Please See ID”
- Memorize and use difficult PIN numbers
- Shred personal documents before discarding them
- Keep personal records in a secure location
- Deposit outgoing mail in a secure post office collection box
- Be careful of what personal information is posted on the Internet
Check Your Credit Reports

- Immediately dispute errors

Evaluate Situations

- Verify sources requesting information

Monitor Financial Information

- Consistently monitor information such as credit statements, depository institution statements, etc.
Be Careful When Using the Internet

- Look for “https” or a picture of a lock
- Keep usernames and passwords safe
- Use a credit card when making online purchases
- Search for your name
- Once information is posted online, it can’t be taken back!
- Use privacy settings on social networking sites
Practice electronic device safety

- Use updated anti-virus and anti-spyware software
- Do not click on links found in pop-up advertisements or suspicious email
- Watch for strange actions that may indicate spyware
Credit and Debit Cards

Credit Cards
- Maximum liability is $50
- No liability if a lost card is reported before being fraudulently used
- No liability if the card number is used, but not the card itself

Debit Cards
- Liability depends on how quickly the card is reported and depository institution policies
- Ranges from $0-unlimited!

Use a credit card instead of a debit card for online purchases!
What could Lucy have done to minimize her risk?

- Mail her documents from a secure post office location
- Use a PIN number that is not easy to guess
- Shred documents that contain personal information
- Use secure websites and computers
- Use privacy settings on social networking sites
- Never give personal information out via email
Fraud Protection Services

Companies may offer various types of services including:

- Fraud monitoring and detection
- Cost recovery if fraud occurs
- Legal counsel if fraud occurs

You are your best advocate!

Closely evaluate services to know what is covered, fees and company reputation.
Recognize Fraud Early

Act Immediately if...

- A business that has taken your money won’t return your calls
- Unfamiliar or unrecognizable charges
- You are denied credit
- Mail is missing
- Errors in your credit report

Could Lucy have recognized the theft earlier?
If You Are a Victim

Act Immediately

Keep detailed records

File a report with your local law enforcement

Report to the appropriate federal agency

The Stop Fraud website will tell you which agency to report to and provide specific tips depending on the type of fraud

What steps should Lucy take?
### Most Common Government Protection Agencies

<table>
<thead>
<tr>
<th>Agency</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Trade Commission</td>
<td>Prevent business practices that are anticompetitive, deceptive or unfair to consumers</td>
</tr>
<tr>
<td>Consumer Financial Protection Bureau</td>
<td>Makes markets for consumer financial products and services work for Americans</td>
</tr>
<tr>
<td>Federal Drug Administration</td>
<td>Protects the public health</td>
</tr>
<tr>
<td>Federal Communications Commission</td>
<td>Regulates interstate and international communication</td>
</tr>
</tbody>
</table>
Most Common Government Protection Agencies

- **US Securities and Exchange Commission**
  - Protect investors and maintain fair, orderly and efficient financial markets

- **Internal Revenue Service**
  - Enforce tax laws

- **Federal Bureau of Investigation**
  - Protects the United States and its citizens
Solve the Mystery

Answer Questions Correctly to Earn Clues!
Who is Lucy’s Scammer? – Act 3

Make Your Guess!

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