

Unit 10

Protecting

Lesson 10A:

The Three D's of Identity Theft

Rule 10: Protect your finances.

While financial risk is most often associated with investment risk, other risks can also keep you from achieving your financial goals. For example, car accidents, medical issues, house fires, lawsuits, and theft (including identity theft) all represent potential obstacles. These risks can be managed by (i) reducing your potential exposure to identity theft or (ii) buying insurance. These lessons use games featuring random, unwelcome events to help students consider ways to wisely manage risk.

Lesson Description

Students are introduced to various options for deterring and detecting identity theft. They then play a game about identity protection. They choose ways to protect their identity and then face random events where their identity will either remain safe or be stolen. They learn that 100% identity protection is not possible and ways to defend themselves if identity theft occurs.

Standards and Benchmarks (see page 242)

Grade Level

9-12

Concepts

Identity theft

The three D's of identity theft: deter, detect, and defend

Phishing

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Compelling Question

How can consumers reduce the risk of identity theft?

Objectives

Students will be able to

- identify strategies to protect their personal information,
 - identify strategies used by identity thieves to steal their identity, and
 - describe the three D's of identity theft—deter, detect, and defend.
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Materials

- Visual 10A.1: Identity Protection Options
 - Visual 10A.2: The Three D's of Identity Theft
 - Handout 10A.1: Safe or Not?
 - Handout 10A.2: Events, one copy (21 events) cut apart for each group of four to five students (or create larger groups if desired)
 - Handout 10A.3: Deck One Cards, copied on colored paper and cut apart, with one copy for each group of four to five students (Each Deck One includes 19 SAFE cards and 1 IDENTITY STOLEN card.)
 - Handout 10A.4: Deck Two Cards, copied on colored paper (a different color from Deck One) and cut apart, with one copy for each group of four to five students (Each Deck Two includes 13 SAFE cards and 7 IDENTITY STOLEN cards.)
 - Handout 10A.5: Assessment, one copy for each student
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Time Required

45 minutes

Procedure

1. To begin the lesson, ask students what they know about “identity theft.” (*Answers will vary.*)
 2. Explain that **identity theft** is a form of stealing that results in someone gaining access to another person’s personal information (such as name, address, driver’s license number, credit card numbers, date of birth, birthplace, or Social Security number) to commit all or any of the following crimes:
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- gaining access to bank accounts to steal money,
 - making purchases with credit or debit cards,
 - opening credit, or
 - engaging in other criminal behavior.
3. Explain that identity theft can be costly and time-consuming to correct and can have adverse financial consequences, including
- loss of financial assets,
 - a damaged credit score, and
 - mistaken criminal charges.
4. Discuss the following:
- What types of personal information might be useful to an identity thief? (*Answers will vary but may include Social Security numbers, computer passwords, credit and debit card numbers, personal identification numbers [PINs] for credit and debit accounts, banking account numbers, medical records, tax records, utility bill statements, and so on.*)
5. Explain that one method identity thieves use to steal personal information is **phishing**. Phishing is when someone attempts to get your personal information by pretending to work for a legitimate or legitimate-sounding organization, such as a bank or the government. For example, you might get an email that looks like it is from your bank that asks you to click a link and update your personal information, such as your password, date of birth, or Social Security number. Explain that the principal way to protect your personal information, is to deter thieves or detect their activities as quickly as possible. Discuss the following:
- What are some ways to protect yourself from identity theft? (*Answers will vary. See Visual 10A.1: Identity Protection Options for a list of ways.*)
6. Display Visual 10A.1. Review each option. Discuss the following:
- What are some additional possibilities for protecting your identity? (*Others might include some noted earlier by students, plus using fewer paper checks, signing debit and credit cards as soon as they are received, and checking receipts with billing statements.*)
7. Explain that doing all these things to protect your identity takes time, effort, and in some cases money (e.g., to buy a shredder or have a hard drive professionally erased). Because people's time, effort, and money are limited, they are often unable to do all of these options all of the time.

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8. Distribute a copy of *Handout 10A.1: Safe or Not?* to each student. Tell the class that they are going to play a game called "Safe or Not?" using the protection options on Visual 10A.1.
9. Divide the class into small groups of four to five students (or create larger groups if desired). Give each group the following:
 - One set of event strips from *Handout 10A.2: Events*. (Each set includes 21 strips).
 - One set of shuffled Deck One cards from *Handout 10A.3: Deck One Cards*. (Each set includes 20 cards: 19 SAFE cards and 1 IDENTITY STOLEN card.)
 - One set of shuffled Deck Two cards from *Handout 10A.4: Deck Two Cards* (Each set should consist of 20 cards: 13 SAFE cards and 7 IDENTITY STOLEN cards).
10. Explain that since time, effort, and money are limited, as part of the game, each student may choose only 10 of the 20 protection options listed on Visual 10A.1. Instruct the students to write down the numbers of their choices in Part A of Handout 10A.1 and a short description of each in their own words. Explain that the chances they will need any of the listed protection options during the game are the same.
11. Explain the rules of the game as follows:
 - There will be 10 rounds. At the end of each round, you will be either safe or have your identity stolen. For each round, you will circle your outcome in Part B of Handout 10A.1.
 - At the beginning of each round, one student in each group will randomly select an EVENT strip for the group and read it to the group.
 - Each person in the group will then check to see whether you have the chosen a Protection Option that will protect you from the event selected for your group. If you have the necessary Protection Option, you will draw a card from Deck One. If you do not have the necessary Protection Option, you will draw a card from Deck Two. Moving to the right of the student who drew the event strip, each group member is to draw from the appropriate deck. The cards will say either "SAFE" or "IDENTITY STOLEN."
 - Create discard piles for Deck One and Deck Two.
 - Circle the outcome of each round on your handout.
 - Even though you may have the necessary Protection Option, it is still possible to draw an "IDENTITY STOLEN" card from Deck One because no protection option is likely to be followed 100% of the time and you can't protect yourself from some events.
 - Even though you might not have the necessary Protection Option and therefore must draw from Deck Two, you still have a good chance of drawing a SAFE card, but there is a greater chance of drawing an IDENTITY STOLEN card.

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- One event has no Protection Option. If this event is drawn, all members of the group must draw from Deck Two.
- Once a deck is depleted, reshuffle and restack the cards.

(Teacher note: Given the number and types of cards in the decks, there is a 20% chance of drawing an *IDENTITY STOLEN* card and an 80% chance of drawing a *SAFE* card. Note further that students are seven times more likely to have their identity stolen without protection than with it.)

12. Begin the game and have students record their results in Part B of Handout 10A.1. Play for 10 rounds.
13. After the game, instruct the students to complete Part C of Handout 10A.1. Allow students time to complete the assignment and then invite some students to share their answers.

Handout 10A.1: Safe or Not?—Part C Answer Key

1. How many times was your identity stolen?

Answers will vary.

2. Although it is important to protect your identity, explain why complete protection is not possible.

Answers will vary but should be similar to the following: First, it is not possible to pursue every possible option to protect your identity. There is simply not enough time, effort, or money to do so. Second, it is not possible to be vigilant about identity protection 100% of the time—sometimes everyone lets his or her guard down. Third, even when you have the necessary protection, you can still have your identity stolen. You simply can't protect yourself against some events, such as a data breach at your bank or at a company you do business with.)

14. Display *Visual 10A.2: The Three D's of Identity Theft*. Point out that the protection options in the game represent two of the "Three D's of Identity Theft." Review the points under "**Deter**" and "**Detect**." Explain that the third "D" is **defend**, which refers to actions to take if you suspect identity theft. Review the points under "Defend."

(Teacher note: A fraud alert or freeze will make it more difficult for identity thieves to open new accounts in your name.)

Closure

15. Explain the following:

- You can greatly reduce the likelihood of identity theft by protecting yourself.
- Some protection options have no cost, others do.

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- You must weigh the costs of your options and decide which options are best for you.
- If you are very concerned about identity theft and its consequences, choosing several strategies for protecting personal information would make good sense.
- The more protection options you choose, the less likely you will have your identity stolen but the more costs you will incur.
- Unfortunately, no matter how many precautions you take, 100% identity protection is not possible.
- You need to take action quickly if you suspect your identity has been stolen.

Assessment

16. Distribute a copy of *Handout 10A.5: Assessment* to each student and allow time for students to work (or assign as homework).

Handout 10.A.5: Assessment—Answer Key

1. List five strategies identity thieves use to steal your identity. Then list five strategies you can use to protect your personal information from these threats.

Students should provide examples such as those listed on Visuals 10.A1 and 10.A2.

2. The elderly tend to be susceptible to fraud and identity theft. Write a short paragraph below in which you describe what “phishing” is to a grandparent or elderly friend.

Answers will vary but may be similar to the following: Phishing is when someone attempts to get your personal information by pretending to work for a legitimate or legitimate-sounding organization, such as a bank or the government. You could be contacted by email or by phone or other ways. For example, you might get an email that looks like it is from your bank that asks you to click a link and update your personal information, such as your password, date of birth, or Social Security number. Do not click such links. When in doubt, call the organization directly.

3. Describe the three D's of identity theft in your own words.

The three D's of identity theft are deter, detect, and defend. Answers will vary, but should be similar to the following: “Deter” is to prevent identity theft by protecting personal information from others. “Detect” is to monitor or “keep an eye” on financial accounts—watching for unusual activity that might mean someone has stolen your identity. “Defend” is to take action if you suspect your identity has been compromised.

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Visual 10A.1: Identity Protection Options

1. Shred anything that includes your personal information (PI) before throwing it away.
2. Be aware of your surroundings when inputting your PI.
3. Keep your Social Security number, PINs, and password information in a secure place other than your wallet/purse.
4. Remove mail from your mailbox as soon as possible.
5. Keep all of your credit and debit cards secure, and do not swipe them in unfamiliar or questionable devices.
6. Use firewalls, anti-spyware, and anti-virus software on your computer.
7. Use strong passwords not associated with your PI.
8. Do not respond to email, phone, or mail requests for your PI.
9. Make sure online transactions are handled through a secure (“https”) site or use encrypted code.
10. Remove all PI from any electronic device before disposal.
11. Limit the PI you share on social-networking sites.
12. Limit the PI you share in general (private and public).
13. Monitor all billing statements and financial accounts.
14. Shop only on websites that have strong privacy and protection policies.
15. Question when expected bills and statements do not arrive on time.
16. Question unexpected bills and statements for things you did not purchase.
17. Beware of “phishing” attempts to steal your PI through legitimate-looking emails.
18. Inspect your credit report—from all three credit-reporting agencies, Equifax, Experian, and Trans Union—at least annually.
19. Question unsolicited employment offers that request your PI.
20. Limit the number of credit cards/accounts you have and close any accounts you are not using.

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Visual 10A.2: The Three D's of Identity Theft**Deter: Safeguard your personal information.**

1. Shred anything that contains personal information before discarding it.
2. Keep Social Security number, PINs, passwords, account statements, tax statements, and other personal information in secure places.
3. Use firewalls, anti-spyware, and anti-virus software to protect your computer.
4. Do not respond to unsolicited emails, phone calls, or mailings requesting any personal information.
5. Be cautious at all times when using credit or debit cards.

Detect: Monitor your statements and reports.

1. Look for unexplained charges or activities in your financial accounts.
2. Inspect your credit report from all three providers (at least annually) to see that it is accurate.
3. Question expected bills or account statements that do not arrive on time.
4. Question unexpected bills or account statements you receive that are not yours.
5. Be alert to calls about purchases you did not make or denials of credit for no apparent reason.

Defend: Implement your defense.

1. If your identity is stolen, contact one of the credit reporting agencies and place a "fraud alert" or "freeze" on your credit report.
2. Review your credit report and report any activity that you did not initiate.
3. Contact the security or fraud department of any company where there has been suspicious activity and close any questionable account.
4. File a police report.
5. Report identity theft to the Federal Trade Commission: www.identitytheft.gov.

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Handout 10A.1: Safe or Not?

Name: _____

Part A

Directions: Choose 10 Protection Options from Visual 10A.1, record each of the option numbers below, and write a short description of each.

Part B

Directions: Follow the game directions given by your teacher. For each round, circle whether you were "SAFE" or had your "IDENTITY STOLEN."

Round 1.	SAFE	IDENTITY STOLEN
Round 2.	SAFE	IDENTITY STOLEN
Round 3.	SAFE	IDENTITY STOLEN
Round 4.	SAFE	IDENTITY STOLEN
Round 5.	SAFE	IDENTITY STOLEN
Round 6.	SAFE	IDENTITY STOLEN
Round 7.	SAFE	IDENTITY STOLEN
Round 8.	SAFE	IDENTITY STOLEN
Round 9.	SAFE	IDENTITY STOLEN
Round 10.	SAFE	IDENTITY STOLEN

Part C

- How many times was your identity stolen? _____
- Although it is very important to protect your identity, explain why complete protection is not possible.

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Handout 10A.2: Events (page 1 of 3)

**Someone has gone "dumpster diving" in your trash!
Do you have Protection Option 1?**

**Someone is trying to "shoulder surf" while you enter your PIN at an ATM!
Do you have Protection Option 2?**

**Someone has "picked your pocket" and taken your wallet with your Social Security card in it!
Do you have Protection Option 3?**

**Someone is thinking about taking your bank statement out of your mailbox!
Do you have Protection Option 4?**

**A waiter may take your credit card and "skim" your personal information!
Do you have Protection Option 5?**

**A hacker is attempting to access your personal information through your computer!
Do you have Protection Option 6?**

**Someone is trying to guess your PIN based on your birthdate!
Do you have Protection Option 7?**

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Handout 10A.2: Events (page 2 of 3)

**You receive a phone call from someone claiming to work for your cell phone service provider. They want to update your current personal information.
Do you have Protection Option 8?**

**You make a purchase with a credit card online.
Do you have Protection Option 9?**

**You have a computer you want to take to the recycling center.
Do you have Protection Option 10?**

**Someone surfing on a social-media network has learned that you will not be home this weekend!
Do you have Protection Option 11?**

**Your local paper has published a story about you that includes a lot of your personal information!
Do you have Protection Option 12?**

**There are some transactions on your credit card statement that you did not make!
Do you have Protection Option 13?**

**You are shopping online with a company that regularly resells its customers' personal information to other companies!
Do you have Protection Option 14**

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Handout 10A.2: Events (page 3 of 3)

**You have not received your monthly utility bill for two months!
Do you have Protection Option 15?**

**You have received a bill from a company for a purchase you did not make!
Do you have Protection Option 16?**

**You receive an email that appears to be from your bank asking you to update your personal information by replying to the email.
Do you have Protection Option 17?**

**Someone took out an auto loan in your name without your permission!
Do you have Protection Option 18?**

**You have received an unsolicited job offer asking you to fill out an application with your personal information!
Do you have Protection Option 19?**

**An old account you forgot to close has sent a statement to your old address!
Do you have Protection Option 20?**

**A company you do business with has had a data breach and your PI stored by them has been compromised!
You have *no* protection.**

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Handout 10A.3: Deck One Cards (page 1 of 2)

SAFE	SAFE
SAFE	SAFE
SAFE	SAFE
SAFE	SAFE
SAFE	SAFE

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Handout 10A.3: Deck One Cards (page 2 of 2)

SAFE	SAFE
SAFE	SAFE
SAFE	SAFE
SAFE	SAFE
SAFE	IDENTITY STOLEN

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Handout 10A.4: Deck Two Cards (page 1 of 2)

SAFE	SAFE
SAFE	SAFE
SAFE	SAFE
SAFE	SAFE
SAFE	SAFE

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Handout 10A.4: Deck Two Cards (page 2 of 2)

SAFE	SAFE
SAFE	IDENTITY STOLEN
IDENTITY STOLEN	IDENTITY STOLEN
IDENTITY STOLEN	IDENTITY STOLEN
IDENTITY STOLEN	IDENTITY STOLEN

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Handout 10A.5: Assessment

Name: _____

1. List five strategies identity thieves use to steal your identity. Then list five strategies you can use to protect your personal information from these threats.

1.	
2.	
3.	
4.	
5.	

2. The elderly tend to be susceptible to fraud and identity theft. Write a short paragraph below in which you describe what "phishing" is to a grandparent or elderly friend.

3. Describe the three D's of identity theft in your own words.

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Standards and Benchmarks

National Standards for Financial Literacy

Standard 6: Protecting and Insuring. People make choices to protect themselves from the financial risk of lost income, assets, health, or identity. They can choose to accept risk, reduce risk, or transfer risk to others. Insurance allows people to transfer risk by paying a fee now to avoid the possibility of a larger loss later. The price of insurance is influenced by an individual's behavior.

- **Benchmark: Grade 8**
 8. Social networking sites and other online activity can make individuals vulnerable to harm caused by identity theft or misuse of their personal information.
- **Benchmarks: Grade 12**
 13. 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.
 14. Federal and state regulations provide some remedies and assistance for victims of identity theft.

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