



Financial Literacy Course

East High School
Module 9

What will you learn about?

- Identity Theft and Consumer Fraud
- Protecting Against and Resolving Identity Theft

Identity Theft and Consumer Fraud

- **Fair Debt Collection Practices Act** – Law aims at doing away with abusive and deceptive practices by those who collect debt. For example, it regulates the hours that collectors may call a consumer and prohibits collectors from publishing a consumers name and address on a bad debt list.
- **Truth in Lending Act** – Law requiring individuals and businesses extending credit, like your credit card company, reveal all the terms and costs that are attached to it. The purpose of TILA is to help consumers compare varying credit offers and the use of cash versus credit

Identity Theft and Consumer Fraud

- **Fair Credit Reporting Act** – Law mandating that the information in your credit report is accurate, complete, and private. It requires correct use of credit reports. As a consumer, this act also gives you the right to view your credit report and dispute incorrect information.
- **Federal Trade** – The federal Trade Commission (FTC) is a U.S. government agency that regulates consumers against false advertising and other unfair business practices.
- **Social Security Number** – A SSN is a 9-digit number issued to U.S. citizens and permanent residents that is used as a primary form of identification by the government. Each individual has his or her own unique number.



Identity Theft and Consumer Fraud

- **Phishing** – Common method identity thieves use to obtain personal data like your bank account number.
- **Credit Card Fraud** – Identity thieves can use personal information to charge your credit card.

Protecting Against and Resolving Identity Theft

How to Spot Identity Theft

- One of the best tools for spotting identity theft is checking your credit report
 - You can identify if anyone has used your name to apply for credit and can even show accounts being used without your knowledge
- You can't receive a loan or other credit because you have unpaid debts- that you know nothing about

Protecting Against and Resolving Identity Theft

How to Spot Identity Theft

- You see a purchase on your credit card statement – that you don't remember making
- You receive a past-due notice from your dog groomer – and you don't even have a dog
- You're expecting a check or other financial information in the mail-and it doesn't arrive when it's supposed to
- You get a credit card-that you didn't apply for.

Protecting Against and Resolving Identity Theft

How to Guard Against Identity Theft

- Sign the backs of credit and debit cards
- Shred financial documents
- Mail payments from official collection boxes rather than your personal mailbox
- Never e-mail your credit card number or Social Security number
- Question whether salesperson or application really needs your Social Security number
- For online shopping, make sure the website is secure. You should see a padlock or another security indicator on your browser's status bar.
- Install anti-virus and personal firewall software on your computer
- Check financial statements carefully
- Check your credit report every year for all financial activity being done in your name.

Protecting Against and Resolving Identity Theft

How to Resolve Identity Theft

- Report fraud to the credit bureaus (Equifax, Experian, and Trans Union) and ask they put a “fraud alert” in your file. Then check your credit report again in a few months to see what activity has been taking place.
- Contact your bank and/or credit card issuer and close vulnerable accounts
- File a police report and keep a copy of the report to show to creditors
- Report to the FTC you’ve been a victim of identity theft
- Contact the State Public Utility Commission to remove incorrect phone charges or the FCC for your cell phone. There is also a specific number to call if you suspect your Social Security number has been compromised.