



# LifeSmarts

*Learn it. Live it.*

## **Reaction and Action: PowerPoint Discussion Notes**

### **Slide 1**

Slide Text: Reaction and Action: Responding to Fraud

Discussion Notes: None

### **Slide 2**

Slide Text: LifeSmarts

Discussion Notes: None

### **Slide 3**

Slide Text: LifeSmarts is:

An educational program teaching teens and tweens important real-life knowledge

A competition – students compete online and in-person

A teaching toolbox. Check out our resources

An opportunity for students to gain leadership skills, and fulfill community service requirements

A chance to develop strong partnerships with national groups such as FBLA and FCCLA

Discussion Notes: None

### **Slide 4**

Slide Text: The Victims

The con is tailored to the prospective victims.

Discussion Notes: None

### **Slide 5**

Slide Text: Young Adult Victims

Young educated adults are targeted because they-  
Lack the maturity or the experience that would help them recognize fraud  
Desire to increase their standard of living quickly  
Lack information about personal finance

Discussion Notes: Some scammers target younger adults specifically. They linger in chat rooms, on message boards, Facebook, My Space, dating sites, and they Twitter to find and groom victims. They use Ebay and Craigslist to advertise schemes and wait for an inexperienced consumer.  
Young adults are usually cyber savvy in navigating and using electronics, but also trusting online. They also often possess the qualities of compassion for others, respect for authority, and a unsuspecting approach to the world.

## **Slide 6**

Slide Text: Adults

Adults are targeted because-  
While most adults have a grasp of finances they may not be Internet savvy  
They may not be aware of the many types of 419 and advance fee frauds

Discussion Notes: Adult victims have difficulty coping with being cheated, they understand, but do not want to accept the fact they have lost money. They are embarrassed and reluctant to report the crime to family and authorities.

## **Slide 7**

Slide Text: Seniors

Seniors are targeted  
They did not grow up in the digital age and are vulnerable to spam and phishing  
They were raised to be polite to strangers  
They may have a diminished capacity to protect themselves and their assets

Discussion Notes: None

### **Slide 8**

Slide Text: Emotional Reactions

How does it feel to be a victim of fraud?

Discussion Notes: None

### **Slide 9**

Slide Text: Reactions

Fraud affects the victim in more ways than removing money from their bank account.

Discussion Notes: Victims of fraud come from all racial, age, gender, religious, socioeconomic, and educational backgrounds.

### **Slide 10**

Slide Text: Emotions

The emotional consequences of fraud crimes are costly.

Fraud victims often suffer:

Self-blame  
Shame  
Guilt

Discussion Notes: Anyone can be a victim. The Schemes, scams, and ploys scammers use are intend to create an emotional response from the victim, not an intellectual or logical response. That emotional response is intensified when the individual realizes they are a victim of a con.

### **Slide 11**

Slide Text: It's Personal

They may also react with:

Self-doubt  
Shock  
Embarrassment  
Disbelief

Discussion Notes: Almost all victims react with anger--anger at the scammer and anger at themselves. Then they must repair the damage that was

done to them and find a way to deal with the consequences of the scam.

### **Slide 12**

Slide Text: A Lack of Understanding

There may be an attitude that victims of fraud deserve what they get. The consequences are a result of their own greed and stupidity.

Discussion Notes: Most often, it is not so simple. Many factors lead to a person falling victim of fraud. In addition, the victim may feel that they have let their friends and family down and will lose their respect.

### **Slide 13**

Slide Text: Victims may isolate themselves, afraid to tell their family. They may find it hard to identify their emotions.

Discussion Notes: Anger, anxiety, and sadness are common emotions that victims experience. Victims need support, understanding as well as help reporting and dealing with the crime.

### **Slide 14**

Slide Text: Intellectual Reactions

How do I handle this situation?

Discussion Notes: None

### **Slide 15**

Slide Text: The Questions...

What do I do now?  
Where do I report fraud?  
Who can help me?  
How could this happen to me?

Discussion Notes: The victim has lost money and needs answers to questions.

### **Slide 16**

Slide Text: What Do I Do Now?

**REPORT IT!**

Scammers cannot be caught, charged, prosecuted, and convicted if authorities are not aware of the crime.

Discussion Notes: Victims should never fail to report because they are embarrassed. They may be able to prevent someone else from being scammed.

**Slide 17**

Slide Text: Where do I report fraud?

**CHECK FRAUD**

Suspicious checks are reported to the U.S. Secret Service.

Report checks received by mail to U.S. Postal Inspection Service.

Discussion Notes: None

**Slide 18**

Slide Text: Help for 419 and Advance Fee Schemes

Contact local & state agencies for help-

File a Police Report

Better Business Bureau

State Office of Consumer Affairs or

State Attorney General

Discussion Notes: Filing a report with these agencies allows law enforcement to track crime that may form a pattern at a local, state, or national level.

**Slide 19**

Slide Text: Also Report to:

Your Internet Service Provider

Business or Agency implicated in the fraud

National Agencies

Federal Trade Commission

National Fraud Center

IC3-Internet Crime Complaint Center

Discussion Notes: Don't forget to report to the business or agency that the scammer used in the fraud. Visit their Web site and look for a place to report fraud. The National Fraud Center will forward your report to local,

state, federal, or international law enforcement or regulatory authorities. The National Fraud Center will forward your report to local, state, federal, or international law enforcement or regulatory authorities. IC3 was created especially to handle cybercrime.

### **Slide 20**

Slide Text: Identity Theft

Victims also need to be aware that their personal information might have been compromised.

Banks, credit card companies, and credit reporting agencies may need to be contacted.

Discussion Notes: None

### **Slide 21**

Slide Text: Prevention

How can I prevent becoming a victim of fraud?

Discussion Notes: None

### **Slide 22**

Slide Text: Throw it Away

Shred those offers that ask you to pay for a prize

Only shipping and handling? Think about it, are you really buying the product?

Free is Free

Discussion Notes: Shred the free checks, toss the lottery prize letters and the sweepstakes along with the postcard saying, "You Have Won, Just call this number!" If a product or service is advertised as free, there should be NO cost.

### **Slide 23**

Slide Text: Check the Check

If you receive a check from an unknown source:

Remember anyone can buy or print checks

Verify the name and address on the check by using Web resources

Look for the nine-digit bank routing number on the check

And finally, remember banks can't always identify counterfeit check until they pass through the system.

Discussion Notes: You can find online resources that will help you verify a bank is real and the Web has multiple resources for checking names, addresses and phone numbers. Some financial institutions allow you to call and ask if a check can be paid from the account written on. Since scammers may use real bank and routing numbers it can still be a fake, even if the numbers are valid.

## **Slide 24**

Slide Text: Cell Control

Control your cell phone:  
Sign up for the Do Not Call Registry  
Limit the downloads you install  
Give your number only to people you know  
Never open unwanted texts—delete them

Discussion Notes: You can also forward unwanted texts to the FTC. Of course only forward texts from spammers, not your "ex". Remember when you download to your cell the company who provides the download keeps your cell number.

## **Slide 25**

Slide Text: Computer Safety Check

You have heard it all before, but let's review.  
To keep your computer safe:  
Use a private password  
Install an anti-virus program that scans your computer on a regular basis  
Limit pop-ups and downloads  
Don't open email from people you don't know  
Don't open spam  
Never click on a Web address inside spam

Discussion Notes: One of the reasons to not open spam or to not click on a Web address inside of spam is that they might contain malware.

## **Slide 26**

Slide Text: Delete, Delete, Delete

The delete button on your computer is your friend.

Delete:  
Spam  
Unsolicited email  
Email with unidentified attachments

Discussion Notes: None

### **Slide 27**

Slide Text: And...

Use a separate email address for social networking, mailing lists,  
not your personal email  
Use a firewall  
Activate a junk email filter on your email account

And then-  
Take the Boulder Pledge

Discussion Notes: None

### **Slide 28**

Slide Text: The Boulder Pledge

"Under no circumstances will I ever purchase anything offered to me as the result of an unsolicited email message. Nor will I forward chain letters, petitions, mass mailings, or virus warnings to large numbers of others. This is my contribution to the survival of the online community."

Discussion Notes: The Boulder Pledge was created by Roger Ebert, the movie critic over fourteen years ago. It is personal promise not to buy anything offered through email spam.  
The Boulder Pledge has become one of the basic principles of the anti-spam community. It attempts to make e-mail spam less profitable by asking individuals to never buy from spammers.

### **Slide 29**

Slide Text: Trust Yourself

Trust yourself and your instincts. If you feel uneasy, you are probably right –STOP.  
Resist the pressure to act “now,” if the deal isn’t there tomorrow you don’t want it.



Discussion Notes: Victims report that they felt uneasy about the deal and the details. Trust yourself and resist pressure and persuasion.

### **Slide 30**

Slide Text: Google It

Many sites catalog advance fee fraud and fake check scams. Enter the information into a search engine and chances are someone has already complained

Discussion Notes: None

### **Slide 31**

Slide Text: Spend Safely

When buying online or by telephone:  
Use a credit card  
Use an escrow service you have checked  
Ask for the physical address of the seller

Discussion Notes: Consumers have protection when paying for Internet based transaction with a credit card or with a legitimate escrow service. You can also use Web resources to verify a business' physical address.

### **Slide 32**

Slide Text: Spend Wisely

Never "help" a stranger with a financial transaction  
Know whom you are dealing with. Ask for a name, phone number and specific contact information. Call them back  
Never, ever wire money to a stranger

Discussion Notes: Check the details. Don't hesitate to check out the phone number, area code and with the Better Business Bureau. You may want to call a business back to "confirm" the information. If possible, find the business name and phone number at a different source. Scammers may give you a call back number, but it too could be part of the scam. Remember that it is better to be safe than sorry.

### **Slide 33**

Slide Text:

Sell Carefully

Don't send merchandise before receiving valid payment

Use an escrow service

Don't accept checks, but if you must, make sure the check is real

Never accept a check for more than the agreed purchase price

Discussion Notes:

To make sure a check is valid have the purchaser get a check from a bank that has a branch in your area. You can take the check to the bank and ask if there are enough funds in the account to cover the check. Do not send the merchandise until the funds have been collected. It is not enough to have the bank tell you the check has cleared. Remember the money isn't yours to spend until the funds are "collected".

A check for more than the purchase is probably a fake check scam.

### **Slide 34**

Slide Text:

Resources

NCL's Fraud Center - Collects and posts information about current frauds and scams

FTC - Report unsolicited email offers including advance fee fraud and lottery scams by forwarding the email message to [spam@uce.gov](mailto:spam@uce.gov)

Secret Service - To file a complaint, look up your local Secret Service field office

United States Postal Inspection Service - If you receive fraudulent materials through the postal mail, give it to your local postmaster

Discussion Notes:

None

### **Slide 35**

Slide Text:

More Resource

Internet Crime Complaint Center (IC3) - Accepts online Internet crime complaints

Western Union - Additional information on scams and fraud

FakeChecks.org - Watch scam artists at work

Discussion Notes:

None

### **Slide 36**

Slide Text:

LifeSmarts is a program of the National Consumers League

Discussion Notes: None

**Slide 37**

Slide Text: NCL would like to thank Western Union for an unrestricted educational grant that helped produce these materials.

Discussion Notes: None