How to Prevent Credit Card Fraud
Activities Workbook
Application Activities

The following exercises will help you put into practice what you have learned about credit card fraud. If you have any trouble completing the exercises, refer to the appropriate unit material.

Part 1: Credit Card Security Features

These credit card security features indicate that a person is the legitimate cardholder.

1. Account numbers on the front and back of the card, and on the magnetic strip, should ________________________________ .

2. The person’s ________________________________ is very similar to the one on the back.

3. On the front of the card, the first four embossed account numbers match the ________________________________ account numbers.

4. The ________________________________ must move or appear three-dimensional when the card is tilted back and forth.

5. In addition to all the credit card system safeguards, it’s always a good practice to

   __________________________________________
   __________________________________________
   __________________________________________

6. The card validation code (or identification number) is located on the ________________________________ side of the card, with the exception of ________________________________ where it is located on the ________________________________ side of the card.
Part 2: Credit Card Payments over the Telephone

List the information you would ask for when a new client wants to pay with a credit card over the telephone.

1. Account number

2. ______________________________________________________________________

3. ______________________________________________________________________

4. ______________________________________________________________________

Part 3: Red Flags of Fraud

List six of the red flags of fraud.

1. ______________________________________________________________________

2. ______________________________________________________________________

3. ______________________________________________________________________

4. ______________________________________________________________________

5. ______________________________________________________________________

6. ______________________________________________________________________
Part 4: Websites

Check out five travel websites (hint: you might include such sites as Travelocity and Expedia, in addition to websites belonging to travel agencies). Then answer the following questions.

1. Does the agency transact business via the website?

2. If so, what security steps does it incorporate into the site?

3. If not, how does it channel business to the agency?