

Shift4® word

The Voice of Shift4 Corporation and \$\$\$ ON THE NET®

Volume 8, Issue 1

Payment Processing News from Shift4 Corporation

November 2005



Are You S.A.F.E.?

Secure Against Fraud Electronically

What would bring together three of the Card Associations, four of the leading security assessment firms, four processors, twenty POS and PMS application developers, and 100 merchants from all industries and of all sizes? In a word: security.

Over 150 people attended the inaugural S.A.F.E. Transaction Security Summit, including Visa, MasterCard, American Express, Hilton Hotels, Swarovski, Heartland Payment Systems, InfoGenesis and INNfinity Hospitality.

"The difference between this event and others I have attended was foremost the level of detail available to attendees. They weren't just given the high level picture; they were able to delve into the details of security, to ask questions that related directly to their individual organization and certification process. It was like hours of free consulting from some of the most experienced names in credit card security, including several of us who were directly involved in the creation of these processes and procedures," stated D.J. Vogel, Managing Partner, 403 Labs, LLC.

One of the most important things stressed at the conference by all of the card associations in attendance was that compliance with the Payment Card Industry Data Security Standards, or PCI DSS, is required by all merchants .

Many merchants get hung up on what level they fall into according to the regulations, thinking that if they fall into Level Four, where certification isn't required, they are safe. What you may not realize is that your compliance with these requirements is still required. If your organization isn't in compliance and if there is any breach, you will be subject to the same fines and penalties as merchants in other levels. What the certification process provides these merchants then is proof of their compliance. And with annual network scans costing under \$500, certification is well worth the cost, considering the safe harbor and peace of mind it can bring.

Shift4 does not provide auditing or scanning services. However, several of the auditing firms

that attended and spoke at the event are offering a discounted rate to Shift4 merchants. There contact information is below.

D.J. Vogel, CISSP, CISA
Managing Partner
403 Labs, LLC
djvogel@403labs.com
(630) 854-7378

Wen Free
Vice President
SecurityMetrics
wfree@SecurityMetrics.com

Overall, the event was a great success, receiving rave reviews from attendees and speakers alike. We look forward to an even more successful event next year and encourage all of you to attend. Look for the dates for the 2006 summit after the first of the year.

For those of you who would like to view the presentations and handouts from the events, they can be accessed on our website at www.shift4.com/summit_presentations.cfm

TOKENIZATION

To abide by the Card Associations' current requirement of not storing credit card data after the initial authorization (www.visa.com/cisp), Shift4 has developed a new Tokenization technology which enables merchants and payment application vendors to enjoy the highest level of payment processing security possible without requiring a lot of time, money or resources.



With Tokenization the purchase starts off the same. The merchant swipes the card data and sends it over to Shift4 fully encrypted. Shift4 sends the card data on to the processor and receives back from the processor an approval. All this is the same as it is today; it is after this point where the process differs. Instead of sending back the card data to the merchant and the POS system, Shift4 turns the data into a Token. A Token is a globally unique, randomized representation of credit card data that is 16 characters long. For payment applications and merchants who utilize Shift4, only the Token is stored in the system.

The Token spans the lifetime of the transaction, even into history, so it provides all the same support for tips, tabs and incremental authorizations. Basically, the Token is stored on the POS system and when an incremental authorization is required on the card the Token is sent to Shift4. The Token represents a specific credit card transaction and card data that is stored in Shift4's data center. When the Token is sent through, Shift4 translates that Token into the card data and sends it to the processor. The processor sends back the authorization code; Shift4 turns it back into a Token and sends that along with the approval code to the merchants. The authorization goes through and again no credit card data is stored on the system. That means that the merchant doesn't need the card number or data past the initial request, so there is absolutely no reason to store this potentially dangerous information. The entire liability to protect the card data is now on the gateway, where it should be.

Best yet, adding Tokenization is a truly small change with big results. It requires the POS system to add an addendum requesting the Token and to store the Token in the now empty card number field, which is already setup to receive this type of data. Also, because the Token includes the last four digits of the credit card number, all of the POS and PMS system reports will still be fully functional. From a merchant's point of view, the implementation is seamless. In fact, it can be implemented even when there are pending sales or open tickets remaining. Best of all, the solution is available today and at no additional cost. To find out more about Tokenization and to see if your POS system has taken advantage of this capability yet, please contact sales@shift4.com.

CREDIT CARD 101

American Express CAPN

Many of our merchants who accept American Express transactions have received a letter from American Express about their new Card Acceptance and Processing Network (CAPN) specifications. Basically, what the letter addresses is that American Express is in the process of altering their authorization and settlement specifications. The letter states that if a system is not compliant with the CAPN specs by October 31 st of 2006 than there will be an out-of-compliance fee of 25 cents added per transaction.

Several of you have contacted us about the letter to see what it is you need to do to comply. The answer is simple, nothing. As a processor for American Express, Shift4 has already engaged American Express regarding the required changes and has a project plan in place. We should have the changes completed no later than 1st Quarter 2006. No change is required on your side.

NEW FEATURE

Stop Those Duplicates

As many of you have already noticed, we have added a new function to \$ \$ \$ ON THE NET to help you identify and resolve potential duplicate transactions before they are settled to your bank. There are a lot of reasons that you may get duplicated transactions in your batches, everything from a clerk running a sale twice, to your POS sending the authorization request twice with different invoice numbers. When dealing with a hundred or even thousands of transactions in your batch, it isn't easy to sort through all of those transactions to identify potential duplicates. Thanks to customer input we have put together some new features that will help you remedy this problem.

In Figure 1 at the end of this newsletter, there are two potential duplicate transactions. If you took the time, you could sort through the list and find them. It is also convenient in this case that the transactions have been grouped together, but this isn't always the case. In the menu at the top of the screen, you can go into **Tools** and select **View Options**. You should notice a new box in the **Other Options** section labeled **Duplicates Only**. If we select this box it will "hide" all transactions that have unique card numbers and only show us instances of a card being used more than one time in this batch.

In Figure 2, which shows the new duplicates tool, it is easy to identify a potential problem. We can see one instance, the \$200.34 transaction, which definitely appears to have been duplicated and needs to be corrected. The other case, however, could represent a consumer making two separate transactions on the same day for different product/services. Just because the card was used more than once doesn't mean it is a duplicate. You will need to know whether these additional charges to that card are valid or not. When you are done reviewing your duplicate transactions you will want to go back to the **View Options** and turn off this selection so you can see your full batch again and submit it for settlement.

Because it isn't always obvious that you may have a problem hidden deep within a batch, or you don't have duplicates often enough to warrant checking on them each time you submit a batch, the system can be configured to do this for you and alert you to potential problems. This is handled during the Batch Pre-Scan and controlled by the setting in **Account Settings** .

Account Settings can only be accessed by your Account Administrator, remember this is the username 'admin' or 'administrator'. When you log in as this user you will have an **Account** option in the menu at the top of the screen, under it you can select **Account Settings** . On this screen you will see a drop down box for **Possible Duplicates** the choices are:

Disable – If you select Disable then \$\$\$ ON THE NET will not scan your batch for potential duplicate transactions. If you would normally expect to see a credit card used multiple times in the same batch for multiple transactions, then you might consider using Disable.

Silent - In Silent mode, the batch will close and process as normal. Nothing would be presented on the screen to the user closing the batch alerting him/her that there are potential duplicate transactions in that batch. But, behind the scenes \$\$\$ ON THE NET will send an e-mail out to all of the individuals on the "Fraud Sentry Notifications" list alerting them to the presence of the potentially duplicated transactions.

Verbose - Verbose mode will stop the user during batch settlement and let them know that it has identified a potential duplicate transaction. This is done at the same time that it normally identifies un-verified credits. You can see an example of the screen in Figure 3.

The user is then prompted to enter the password to confirm that they are aware of the potential duplicate transactions, have reviewed the transactions and that they want to submit the batch as it is. This is the default setting.

Disallow - With Disallow, there is no ability to close a batch that contains potential duplicate transactions. While this may seem like a good safety measure, it could cause problems for you if you can't submit a batch because the system is alerting on a potential duplicate that really isn't a problem. Again, not all potential duplicate transactions are problems, there are valid reasons that you may have the same card used for more than one sale in a given batch.

If you have any additional questions about this feature, or any other uses of \$\$\$ ON THE NET, please feel free to call our 24 hour support center where your questions can be immediately answered.

TOOL HIGHLIGHT

\$\$\$ ON THE NET Aging Notification

Each processor has a "window" of time in which you need to settle your transactions to get the best possible rate, generally 24 to 48 hours. If your business doesn't settle within this timeframe, the transactions in the batch will downgrade. This means that you will have to pay higher fees than normal and that's never a good thing.

\$\$\$ ON THE NET has a built in "alarm clock" that will remind you or your staff to settle transactions and prevent those downgrades. We call this system **Aging Warning** , and it can be set up in the **Account Configuration** page when you're logged in as the Administrator.

TIP : Occasionally auditors will get in the habit of just looking at transactions for a specific day. Yet, there are times when your batch can have transactions from previous days, so we recommend that, when selecting your business date, you choose "**All transactions though the selected date** " so the system will pick up all of the transactions you've run that haven't been sent to the processor. If you are getting aging warnings and don't see any transactions that haven't been sent to the processor yet, it may be because of the business date selected. Again, please set the business date to the current date and make sure you choose "**All transactions though the selected date** " .

The screenshot in Figure 4 shows which button we recommend using. As always, if you have any questions or concerns, please don't hesitate to send an email to our Account Management team at myaccount@shift4.com .

The Shift4Word is edited by Rebecca Kalogeris, Director of Marketing for the Shift4 Corporation. She can be reached by email at rkalogeris@shift4.com or by calling (702) 597-2480, ext. 3419.



Current sale and credit transactions for ALL clerks. All card types included. Both problem and non-problem transactions are included. The transactions are ordered by invoice number.

Printer Friendly
Export

Business Date: Fri Nov 4, 2005
(all transaction through)

Invoice*	Clerk	Bus Date	Type	Card Number	Amount	Tran	Customer Name	Terminal ID
0000014128	00001	Fri 11/04/2005	VS	4184.0000000002877	\$243.61	S	Tom Marvin	
0000024128	00001	Fri 11/04/2005	MC	5121.0000000005124	\$22.59	S	Becky Roosevelt	
0000044129	00001	Fri 11/04/2005	NS	6011.0000000007058	(\$24.99)	S		
0000064129	00001	Fri 11/04/2005	NS	6011.0000000003743	\$200.34	S	Katherine Bush	
0000074129	00001	Fri 11/04/2005	NS	6011.0000000003743	\$200.34	S	Katherine Bush	
0000084129	00001	Fri 11/04/2005	NS	6011.0000000001093	(\$32.27)	S	FRANKLIN/PHILLIP	
0000104129	00001	Fri 11/04/2005	MC	5410.0000000001341	\$22.85	S	Stephanie Mancini	
0000114129	00001	Fri 11/04/2005	MC	5410.0000000001341	\$228.50	S	JP Prince	
0000134129	00001	Fri 11/04/2005	MC	5410.0000000009982	(\$39.14)	S		
0000144129	00001	Fri 11/04/2005	MC	5301.0000000009064	\$40.17	S	Trey O'Neil	
0000154129	00001	Fri 11/04/2005	VS	4184.0000000000512	\$98.12	S	JP Bellvue	
0000174129	00001	Fri 11/04/2005	MC	5290.0000000000916	\$148.21	S	Phillip Biddleson	
0000184129	00001	Fri 11/04/2005	VS	4184.0000000006339	\$240.23	S	John O'Flannery	
0000194129	00001	Fri 11/04/2005	VS	4184.0000000008070	\$39.45	S	Betsy Ford	
0000204129	00001	Fri 11/04/2005	VS	4417.0000000002269	\$16.79	S	Veronica Bravido	

Shift4 Sales Retail -- USD						
Card Type	Sales		Credits		Net	
	Count	Amount	Count	Amount	Count	Amount
MC	5	\$462.32	1	(\$39.14)	6	\$423.18
NS	2	\$400.68	2	(\$57.26)	4	\$343.42
VS	5	\$638.20	0	\$0.00	5	\$638.20
	12	\$1,501.20	3	(\$96.40)	15	\$1,404.80

Figure 1 - Traditional Transaction Screen

Current sale and credit transactions for ALL clerks. Only card types AX, DC, JC, MC, NS, VS and YC included. Only non-problem transactions are included. The transactions are ordered by card type, card number then invoice number. Only possible duplicate transactions are being displayed (multiple transactions with the same card number).

Printer Friendly

Export

Business Date: Fri Nov 4, 2005
(all transaction through)

Invoice	Clerk	Bus Date	Type*	Card Number	Amount	Tran	Customer Name	Terminal ID
0000104129	00001	Fri 11/04/2005	MC	5410xxxxxxxx1341	\$22.85	S	Stephanie Mancini	
0000114129	00001	Fri 11/04/2005	MC	5410xxxxxxxx1341	\$228.50	S	JP Prince	
0000064129	00001	Fri 11/04/2005	NS	6011xxxxxxxx3743	\$200.34	S	Katherine Bush	
0000074129	00001	Fri 11/04/2005	NS	6011xxxxxxxx3743	\$200.34	S	Katherine Bush	

Shift4 Sales Retail -- USD						
Card Type	Sales		Credits		Net	
	Count	Amount	Count	Amount	Count	Amount
MC	2	\$251.35	0	\$0.00	2	\$251.35
NS	2	\$400.68	0	\$0.00	2	\$400.68
	4	\$652.03	0	\$0.00	4	\$652.03

Figure 2 - Potential Duplicates Screen

Possible Duplicates							
Possible Duplicates - same card used multiple times in the same batch							
Shift4 Sales Retail							
Type	Card Number	Business Date	Merchant	Invoice	Clerk	Amount	Customer Name
MC	5410xxxxxxxx1341	Fri Nov 04, 2005*	Shift4 Sales Retail	0000104129	00001	\$22.85	Stephanie Mancini
		Fri Nov 04, 2005*	Shift4 Sales Retail	0000114129	00001	\$228.50	JP Prince
						2	\$251.35
NS	6011xxxxxxxx3743	Fri Nov 04, 2005*	Shift4 Sales Retail	0000064129	00001	\$200.34	Katherine Bush
		Fri Nov 04, 2005*	Shift4 Sales Retail	0000074129	00001	\$200.34	Katherine Bush
						2	\$400.68

Figure 3 - *Verbose Duplicate Settings*

XYZ Hotel

Select the All transactions through the selected date radial button to ensure that no transactions are overlooked.

April, 2005							
<<	<	Today				>	>>
wk	Sun	Mon	Tue	Wed	Thu	Fri	Sat
13						1	2
14	3	4	5	6	7	8	9
15	10	11	12	13	14	15	16
16	17	18	19	20	21	22	23
17	24	25	26	27	28	29	30

Select date

- All transactions through the selected date
- Only transactions for the selected date
- All transactions regardless of date

Apply Cancel

Figure 4 - *Selecting the Business Date*

Content is the opinion of Shift4 Corporation

© Copyright Shift4 Corporation, All Rights Reserved



Shift4 Corporation

1491 Center Crossing Road

Las Vegas, NV 89144-7047

(702) 597-2480

www.shift4.com