



### **MEMBERSHIP MINUTES - CREDIT CARD SECURITY COMPLIANCE**

Recently we have been getting inquiries from members about the new security regulations from Visa and MasterCard. Because there have been increasing levels of credit card fraud and identity theft in e-commerce, the credit card industry put together a Cardholder Information Security Program (CISP) last year that is designed to protect sensitive cardholder information during processing, storage, and transmission. The program identifies who must participate, what they must do and the deadlines for compliance.

#### ***Who Must Comply***

ALL merchants who take credit cards must follow the basic security standards developed by the industry. All service providers (including credit card processors NPC, Cambridge Payment Systems, Fast Transact, etc.) or online booking engines (Rezovations, Hotels.com) that process, store, or transmit cardholder data must also follow the security standard. The CISP has four different levels of compliance depending on the size of the company. Most B&Bs and country inns will be in Level Four, companies that process fewer than 20,000 online transactions in a year. You must conduct a self analysis against a check list in the Payment Card Industry Data Security Standard (see below). If someone hacks into your system and retrieves credit card data, you become Level One and must have your security compliance verified by an outside assessor.

#### ***What's in the Checklist***

The Data Security Standard consists of twelve basic requirements that address such issues as who has access to the data, how and where it is stored, proper use of anti-virus software, firewalls, encryption, and passwords, testing your systems and procedures, and having a security policy. Keeping your computer operating software, anti-virus programs and anti-spyware programs up-to-date is important. Storing written credit card information only as long as you need it to process a transaction, and making sure that your credit card terminal masks all numbers but the last four is crucial.

#### ***Security Consultants***

Because there is a requirement for outside verification of security compliance for Level One companies, a number of firms have begun offering consulting services in this area. Many of you may already have received a solicitation from Security Metrics, which is offering a discount to NPC customers. Their contact information in Orem, Utah is 801-705-5665. Another such company is Vigilar, in Atlanta, Georgia, ask for Charles Lee, 770 481-2160; or email [clee@vigilar.com](mailto:clee@vigilar.com)

#### ***Deadlines***

The deadline for Level Four companies has not yet been established, however you should take the call for compliance very seriously and set aside time for reviewing your current level of compliance soon. The deadlines for larger companies have already past, so credit card processors and booking engines have already gone through the security audit and are in compliance. You should contact your booking engine company or merchant service provider to be sure.

***Penalties***

Visa and MasterCard have indicated that they will fine companies that have a security breach because they were not in compliance with CISP. The maximum fine is \$500,000.

***For More Information:***

Visa has a very comprehensive website that describes the program in detail, including the full checklist for the Data Security Standard, lists of companies that are already in compliance, tips on preventing fraud in face-to-face transactions, and more:

[http://usa.visa.com/business/accepting\\_visas\\_ops\\_risk\\_management/cisp.html](http://usa.visa.com/business/accepting_visas_ops_risk_management/cisp.html)

Rezovations also has a very good site with an FAQ about their compliance program:

<http://www.rezovation.com/FAQ/faq-CISP.html#PCI>

Thanks to Sam Pimputkar at Cambridge Payment Systems, our Preferred Provider, who helped us understand this important subject. Sam is happy to answer any questions you may have on data security and can be reached at 248 626-5200 x 12.

**Professional Association of Innkeepers International**

207 White Horse Pike, Haddon Heights, NJ 08035

Phone 856-310-1102