11/15/2012

Elavon

7300 Chapman Highway
Knoxville, TN 37920
1-800-725-1243

Fraud Prevention Tips
Courtesy of the Elavon Loss Prevention Team

Current areas where mail order, telephone order, and Internet fraud are most prevalent include:
West Africa (Nigeria, Ghana, Gambia), Asia (Indonesia, Singapore)
Eastern Europe (Bulgaria, Romania, and Russia)

Suspicious behavior and requests

- **Relay calls:** A relay call is an operator-assisted telephone call, usually used by someone who is hearing impaired. While this is a valid service, criminals have also used the service to place fraudulent orders. We recommend you request a Code 10 authorization request for all orders obtained via relay call.

- Customers ordering large quantities of the same or similar item. Also be cautious of large bulk orders with a shipping address of an apartment or self-storage unit.

- Customers who provide multiple card numbers for the same purchase, especially when the card numbers are only different by the last few numbers.

- Requests for overnight delivery, without regard to cost.

- Customers who request immediate processing of the order and want the tracking number used for the shipment ASAP.

- Customers who place phone orders, requesting immediate processing of the order, and then advising they will have someone come to the store location to pick-up the product.

- Requests for delivery to an alternate address, other than the billing address, or shipment to a freight forwarder. (Criminals will use United States based re-shippers to avoid detection of foreign shipments).

- Requests for merchandise you do not sell. Most common requests are for cell phones and laptop computers.

- Communication via a free email service (Yahoo, Hotmail, Gmail, etc).

What you need to know about Authorizations

- **CODE 10 Authorizations**. A Code 10 authorization is a preventive tool used to verify additional information on a suspicious transaction. This can be used for card present (face to face) transactions or transactions where the cardholder is not present (Internet/ phone/mail order). Call the Voice Authorization phone number provided by Merchant Services. If you are unsure of the phone number call the Customer Service phone number on your monthly merchant statement or Elavon at 1-800-725-1243. When you call the Authorization Center, choose the prompt for "Code 10". You will be transferred to an operator and will be asked a series of questions about the transaction. The operator will attempt to verify the information you provide with the bank that issued the card to the customer. If the order was a mail order, phone or Internet sale, be prepared to provide the cardholder name, billing address and shipping address. If the operator cannot verify the information during the call, the information will be forwarded to an investigator to look into the transaction further. We will attempt to contact you within 24 - 72 hours with the current status or results of the investigation. It is recommended to use this process **before** charges have been placed on the credit card and **before** the product has been shipped. This avoids being billed for processing fees and loss of shipping costs on the transaction in question. Please note that you may still request a Code 10 if the product has been shipped, but your chances to recover the product will be reduced.

- If an authorization request is declined, request another form of payment other than a credit card. **Do not** split a declined transaction into smaller increments to obtain an authorization.

- If you receive a "CALL AUTH" response, call the Voice Authorization phone number provided by Merchant Services. **Never** call a phone number for the card issuing bank provided by a customer, or let the customer call the card issuing bank for you, to obtain an authorization code. Also, **do not** accept an authorization code given to you by a customer. Any authorization code obtained from any source other than your Authorization Center cannot be verified. When in doubt, request a Code 10 Authorization.

- Obtain an authorization code for the **full amount** of the sale. Always obtain the authorization code **before** shipping the merchandise.

- An authorization code **does not** guarantee that a transaction will not be disputed later. An authorization code simply identifies that the amount of credit requested for that particular transaction is available on the card at the time of the sale. An authorization code **does not** protect you in the event of a **Chargeback** regarding unauthorized transactions or disputes involving the quality or delivery of goods and services.

Other Schemes of Which to be Aware

- A customer may request the merchant to conduct a VISA/ MasterCard transaction in an amount greater than the cost of the goods or services and then request the excess funds be sent by wire transfer, money order or Western Union, to a freight forwarding company or other person. The probability of fraud is high in such a transaction and there is little chance for the merchant to recoup funds. This type of transaction is also a violation of VISA/MC regulations and therefore the merchant would not have the ability to favorably resolve a chargeback should it occur.

- There are **counterfeit check** schemes that involve overpayment with a counterfeit check and request you to wire transfer the difference back to the customer. This scheme has been reported on personal checks, business checks, cashier's checks and money orders. This causes a loss of both the merchandise and the money that made up the difference.

- With today's technology it is possible to alter a photocopy of a credit card or personal identification such as a driver's license or passport. Sometimes a fraud order will include a faxed or e-mailed photocopy of the card to gain your trust. These photocopies **do not** guarantee that you are dealing with the correct cardholder. Always verify the order information with your Authorization center before proceeding with the order.

Options Available for Point of Sale Equipment

- Verify the cardholder's address by using the Address Verification System (AVS). Your terminal can be set up for the AVS program, which allows you to include an AVS request with an authorization request. You will receive a separate result code indicating whether the address given matches the address the issuer has on file for that account.

- Card Verification Value 2 (CVV2) VISA and Card Validation Code 2 (CVC2) MASTERCARD are verification requests that can be added to most terminals. This system will verify the three-digit code printed on the back of a credit card in the signature panel. You will receive either a "match" or "no match" response from the card-issuing bank if CVV2 / CVC2 is provided at the time of the authorization.

- The response codes for both AVS and CVV2/CVC2 are independent of the approval code. This means you could receive a positive approval code but the AVS and CVV2/CVC2 response may not match. It is important to review all responses to make the best decision.

- The use of CVV2, CVC2, and AVS can reduce a non face-to-face transaction's risk of fraud by providing additional information from which you can make a better business decision. However, CVV2, CVC2, and AVS **do not** eliminate Chargebacks, nor absolve the merchant of their liability for Chargebacks associated with processing credit card transactions. For more information about AVS and CVV2, CVC2, contact 1-800-725-1243. If you are an Internet merchant, contact your Internet Service Provider for additional fraud settings that may be available to you through their service.

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AVS Response Codes

A = Address (street) matches - ZIP Code does not
B = Street address match, postal code in wrong format (international issuer)
C = Street address and postal code in wrong formats
D = Street address and postal code match (international issuer)
E = Error response for Merchant Category Code (SIC)
G = Card issued by a non-U.S. issuer that does not participate
    in the AVS system
I = Address information not verified by international issuer
M = Street address and postal code match (international issuer)
N = No match on address (street) or ZIP Code
O = No response sent
P = Postal codes match, Street address not verified due to
    incompatible formats
R = Retry, system is unavailable or timed out
S = Service not supported by issuer
U = Address information is unavailable (domestic issuer)
W = Nine-digit ZIP Code matches - Address (street) does not
X = Exact AVS Match
Y = Address (Street) and five digit Zip match
Z = Five-digit zip matches - address (street) does not

CVV2/CVC2 Response Codes

Response Code	Definition
Space	CVV2 processing not requested
M	CVV2/CVC2 Match
N	CVV2/CVC2 not matched
P	Not processed
S	CVV2 should be printed on the card, but it was indicated that the value was not present
U	Issuer does not support CVV2
X	Service provider did not respond

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Useful Numbers and Websites

www.merchantconnect.com This site was created by Elavon Merchant Services to provide you with information on your account. On your first visit, you will need to choose a user name and password. You can view statements, Chargebacks, and general information, as well as helpful tips about processing credit cards.

VISA Merchant Verification Service—800-847-2750—AUTOMATED
Option 1, Address Verification: enter in the numeric portion of the street address, zip code, and VISA card number and it will advise you if there is a match
Option 2, Issuing Bank Phone numbers: enter the VISA card number and it will provide you with the 800# for Issuing banks if available.

MasterCard Assist—800-622-7747
Select your language preference, then Option 2. Enter the MasterCard card number and it will provide you with the 800# for Issuing banks if available.
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Discover Address Verification—800 347-1111—AUTOMATED
You will need your Discover Merchant number. Enter the Discover card number and address information, and it will advise you if there is a match.

American Express Address Verifications—800-528-2121
Option 3 allows you to verify the name and address of a particular AMEX card number.

www.visa.com VISA brand information. Includes tips, regulations, news, and fraud features. (Choose option for Merchants/Businesses)

www.mastercard.com MasterCard brand information. Includes tips, regulations, news, and fraud features. (Choose option for Merchants)

http://zip4.usps.com/zip4/welcome.jsp United States Postal Service website to validate an address physically exists. This does not confirm that a person lives at the address, but does confirm the address is real.

www.ic3.gov   Internet Fraud Complaint Center (IFCC) The IFCC is a partnership between the FBI and the National White Collar Crime Center. This site allows victims of Internet fraud to report fraud online to the appropriate law enforcement and regulatory authorities.

www.forwarders.com   This is a list of freight forwarders. Many times international criminals will ship to these addresses and have the order sent on by the freight forwarding company.