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IS YOUR CREDIT CARD PROCESSING HARDWARE/SOFTWARE Ready For PCI Compliance?

The PCI compliance deadline of July 2010 is an important date for MPCs. Hopefully by now you have read the previous articles on PCI compliance in RS News and visited pcisecuritystandards.org. In a nutshell, it's all about keeping the bad guys away from your customer's credit card data.

To process customer's credit cards, retail shipping centers have three options:

1. Use a PCI Pin Entry Device (PCI PED) compliant standalone credit card terminal; that little gray or black box connected to a telephone line or a router. This is the most popular method but is more time consuming to process, especially if you have more than one POS station. Operator error is more likely than the other two methods below. You'll have to purchase the terminal or it may be provided by your credit card processor.

2. Use current version Payment Application Data Security Standard (PA-DSS) compliant credit card processing software such as IC Verify®, PAYwarePC®, PC Charge®, or X-Charge®. Using credit card software is a faster method with less chance for errors, especially if it is integrated with your POS software. You'll have to purchase the software

and a magnetic stripe reader. Each POS station can process credit cards.

3. Or perhaps you're using the latest in processing technology, an online virtual terminal, such as the one provided by NextPay®, Paynet Systems®, PAYware Connect®, or Smart Swiper®. The advantages are similar to #2 above, but you don't have to invest in any software. Updates to the virtual terminal are done by the credit card processor or developer.

The more sophisticated POS systems used by retail shipping centers allow stores to process credit cards right from their POS software using credit card software or a processor's virtual terminal. Check with your POS software vendor if you have questions about processing credit cards and PCI compliance. Most software vendors have already addressed PA-DSS compliance with their development team.

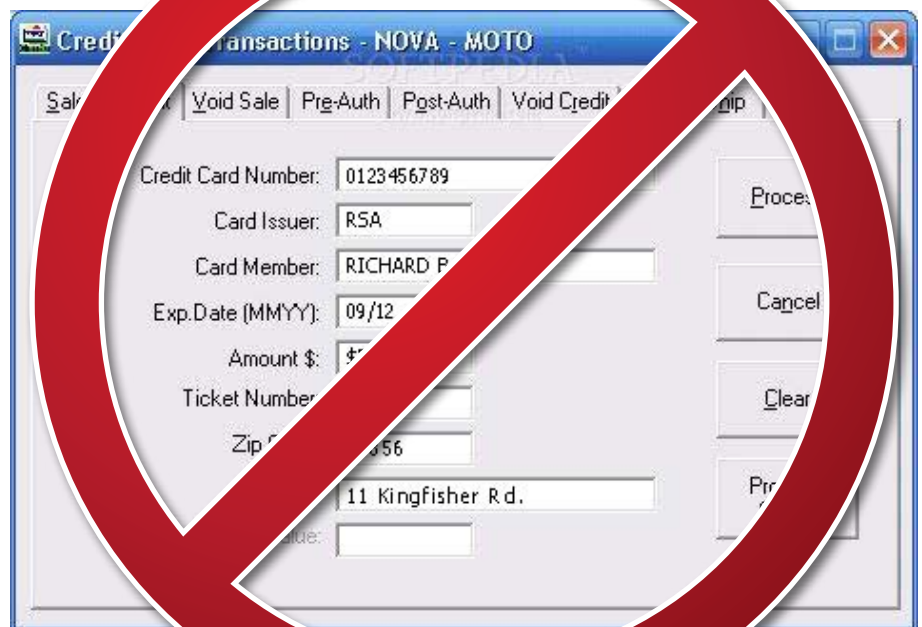
Standalone terminals and credit card processing software allow you to

select your own processor, unless the software is provided by your credit card processor, such as X-Charge®. Often the virtual terminal belongs to the processor; an exception is PAYware Connect®, which is not proprietary. The obvious advantage of using a virtual terminal is you don't have to worry about software updates.

Do you own your standalone terminal? It's up to you to make sure it is PCI PED compliant. Check with your credit card processor or visit the terminal manufactur-

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- ➔ **PCI compliance is all about keeping the bad guys from finding credit card data on your PC**
- ➔ **Stores must be PCI compliant by July 1st, 2010**
- ➔ **If you own your own standalone terminal, it's up to you to make sure it is PCI PED compliant**
- ➔ **Expect encrypted MSR's to become the standard in the payment card industry**



PCI COMPLIANCE

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er's web site to determine if your model is PCI PED compliant. If your standalone terminal is provided by your processor, they'll make sure your unit is PCI PED compliant or replace it with a new model that is. All new standalone credit card terminals meet PCI PED compliance.

Credit card processing software vendors' current versions meet PA-DSS compliance. Make sure your processing software is current. VeriFone®, in addition to manufacturing several standalone terminals, also produces credit card processing software such as PC Charge Pro®, PC Charge Payment Server®, and PAYwarePC®. PCCharge Pro® and PCCharge Payment Server® are ten year old software programs written in MS Access instead of the newer more robust PAYwarePC®, which uses the MS SQL Server database. PC-Charge Pro® and PCCharge Payment Server® are PA-DSS compliant provided you are on version 5.8 or version 5.9. PA-DSS compliance for version 5.8 will expire in December 2010. Version 5.9 is also compatible with most Windows 7 versions; Version 5.8 is not. Something most PC Charge® users are not aware of is that PC Charge® will only run on 32 Bit computers. The majority of new computers being sold are now equipped with 64 Bit processors. VeriFone® has not made a final decision to upgrade PC Charge® to work on 64 Bit computers. They recommend PC Charge® users switch to their PAYwarePC® software which has more features. PAYwarePC® supports both 32 and 64 Bit computers. What is the financial impact for PC Charge® users to make the switch to PAYwarePC®? PCCharge Pro®

and PCCharge Payment Server® users who have a current support contract with VeriFone® will pay a migration fee of \$200 and can transfer the balance of their support contract to PAYwarePC®. That's VeriFone's list price; POS dealers should be less. PCCharge Pro® and PCCharge Payment Server® users, without a current support contract, will have to purchase a VeriFone® support contract for \$139. They can then pay the migration fee of \$200 for PAYware PC®. That's VeriFone's list price; POS dealers should be less.

ICVerify® credit card processing software users should be on the current version, 4.0.3, which meets PCI requirements for July 2010. Version 4.0.3 should also support Windows 7 and Vista 32 Bit and 64 Bit computers. Contact ICVerify® Support at 800-900-6133 to confirm.

All three technologies use a magnetic stripe reader (MSR). Standalone terminals have the MSR built-in. Credit card software and virtual terminals use an external MSR. These can be small separate hardware units, embedded in your keyboard, or built-in to the side of a touch screen monitor.

Separate magnetic stripe readers use a technology known as "keyboard wedge", or KW, to transfer the card information to the PC. If you have a separate MSR, open Notepad or WordPad. Swipe your card and most likely all the information on the card will appear on the screen, just like it does with your current credit card software. That's not too secure. To make their readers more secure, MSR manufacturers have introduced readers

that use a HID (human interface device) technology. An HID MSR can be encrypted. You won't see credit card information on the screen, but your processing software is able to decrypt it. PCI compliance is all about keeping the bad guys from finding credit card data on your PC, i.e. DO NOT STORE CREDIT CARD DATA. Should you use a PCI service to scan your PC, they may find sensitive credit card information. An encrypted HID MSR will prevent this. HID MSR's will become the new standard for retail stores. Depending on the brand and model of your current MSR you may already have a unit that is both KW and HID. Most likely it's currently programmed for KW mode but by using a software configuration utility download from your MSR's manufacturer, you can easily reprogram it to be in HID mode. Check with your POS hardware vendor or the manufacturer of your MSR to find out if your model is keyboard wedge only, or KW and HID. DO NOT reprogram your MSR to HID mode until instructed to do so by

your POS software vendor or credit card software vendor; there's more to the setup. A few processors have begun requiring the use of an encrypted MSR. Expect encrypted MSR's to become the standard in the payment card industry.

The worst thing you could do to your business is to ignore PCI compliance. Non-compliance will mean you won't be able to process credit cards and you may be subject to penalties and fines. Your credit card processor should be your first contact. Talk to your POS software provider if you process credit cards through their system. If you use credit card processing software, contact their support to make sure it is PA-DSS compliant. Your customers are counting on you to keep their credit card information secure. ☎

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