



Get Smart

The GSA SmartPay® Newsletter

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Welcome to the exciting new GSA SmartPay® Newsletter!

With six years of experience behind it, the GSA SmartPay® program team is now planning for the next generation of the program. This bimonthly newsletter has been created as another way for us to keep our A/OPC community up to date with program news, statistics, success stories, and upcoming events. It's also a forum to share GSA SmartPay® best practices used by customer agencies, which we look forward to hearing about from you!

In this inaugural issue of the newsletter, we recap major program initiatives from last year and share some news about recoveries and delinquency rates. We also bring you up to date about next generation GSA SmartPay® efforts and timelines.

This newsletter is a step towards providing better customer service to you. We hope you find it useful, and look forward to your feedback about how we can improve it.

Sincerely,

Sue Mclver
GSA SmartPay®



PROGRAM NEWS

Program Initiatives

As part of our continuing initiatives to improve agencies' charge card performance, GSA has worked closely with OMB in providing customers with solutions to the challenges of managing the travel, purchase, and fleet charge card programs. In FY04, GSA assisted its customers to manage their charge card programs by:

- Developing the travel card A/OPC online training. It is located at www.gsa.gov/aopctraveltraining.
- Creating the *Best Practices Guide* which includes agency-specific examples. It is located at www.gsa.gov/gsasmartpay under "Publications and Presentations." To order a hard copy of the guide, contact the Centralized Mailing List Service (CMLS) via phone at (817) 334-5215 or via email at cmls@gsa.gov.
- Producing publications entitled *Helpful Hints for Travel Card Use*, *Helpful Hints for Purchase Card Use*, and *Helpful Hints for Fleet Card Use*. These card-sized brochures are intended as quick references regarding the "Do's and Don'ts" of using the various charge cards. They are located at www.gsa.gov/gsasmartpay under "Publications and Presentations." To order hard copies of the publications, contact the Centralized Mailing List Service (CMLS) via phone at (817) 334-5215 or via email at cmls@gsa.gov.
- Hosting the 6th annual GSA SmartPay® Conference in August

2004 in New Orleans, LA. The conference attracted record attendance with over 3,500 agency program officials present.

Agency Update on Recent Bank of America Lost Computer Tapes

In early January 2005, GSA was informed that during the holiday season, Bank of America (BOA) had lost a small number of computer backup data tapes. The tapes in question contained customer and account information for 1.2 million GSA SmartPay® government cardholders. GSA immediately contacted the Secret Service who indicated that they were already investigating the loss of the tapes. Additionally, the Secret Service directed GSA not to notify customers or anyone else so that the ongoing investigation would not be compromised. In late February, they authorized GSA to discuss the issue with customer agencies and we, together with BOA, have been communicating with program agency managers and cardholders.

This is an update of the actions that have taken place since late February. It is important to understand that GSA shares our customers' concern regarding the recent loss of tapes containing sensitive information. Because of the severity of this issue and because GSA values its customer agencies and cardholders, we have been working closely with BOA to implement actions that will protect all federal agency personnel that have information contained on the missing tapes.

As soon as BOA identified the affected cardholders, they began monitoring all potentially compromised accounts. BOA expanded their use of sophisticated monitoring tools to look for unusual or fraudulent activity. However, for security purposes, the bank is not able to disclose specific types of tools or their operation.

To assist affected GSA SmartPay® cardholders, BOA has sent a letter to all personnel with data on the tapes. This letter alerted the cardholders of the loss of the tapes, assured them that their accounts are being proactively monitored, that they will be notified of any unusual activity, and that they are not liable for any unauthorized use of the card. BOA also provided a fact sheet containing information that is useful in protecting their personal information and included a toll free BOA telephone number (1-800-493-8444) that they can call should they have questions or concerns.

BOA has also established a call center dedicated to supporting government cardholders on this issue. This center can provide details regarding cardholder information on the tapes as well as assist the cardholder in obtaining a free credit bureau report or placing a fraud alert on their credit bureau account. This free report is offered to all affected cardholders so these cardholders do not have to use their routine access to a free report. If requested, the center can also assist the cardholder to replace his/her card. Since neither the cardholder nor the government is liable for unauthorized purchases, card replacement is not recommended.

To minimize undue concern, BOA also sent a letter to unaffected cardholders advising them of the situation and informing them that none of their personal data were on the tapes. In addition, BOA has sent a second letter to the affected cardholders providing guidance on obtaining a free credit report and fraud alert.

In the event fraud is detected or a Federal employee's identity is compromised, BOA has a Fraud Investigation Unit that is available to help people through the process. The bank employs ongoing fraud monitoring processes in an effort to

proactively recognize emerging fraud patterns. If suspicious activity is detected, BOA will block the account for any new activity and call the customer or contact the cardholder by phone to discuss the questionable activity without first blocking the account. In the event that fraud is confirmed, BOA will immediately close the compromised account and initiate a replacement card and account for the cardholder. As noted above, the cardholder is not liable for fraudulent charges.

GSA and BOA are using this event as an opportunity to be proactive on cardholder security. The following steps have also been taken:

On March 17th, GSA facilitated a meeting between BOA and DOD (the agency with the largest number of affected cardholders) that addressed security issues and protecting cardholder personal information in the future. BOA explicitly explained the new procedures in place to protect this valuable information. BOA has changed their method of handling GSA SmartPay® system back-up operations.

To date, neither BOA nor law enforcement agencies have found any evidence that the content of the tapes has been accessed. The investigation is continuing. However, authorities have indicated that they believe the tapes were lost and that there is little possibility that the data will be misused.

Looking more globally at the GSA SmartPay® program GSA is working with the Office of the Comptroller of the Currency (OCC): the Federal oversight agency for banking operations. The OCC provides guidance to all our banks on acceptable risk management processes and procedures for safeguarding information, while maintaining, transporting and disposing of sensitive information. In addition, they continue to

have staff on site to monitor bank processes and procedures.

On a final note, GSA provides helpful guidance to Federal cardholders on the GSA SmartPay® website at <http://www.gsa.gov/gsmartpay> by offering a direct link to the Federal Trade Commission (FTC) website. In so doing, Federal government cardholders are given quick and accessible information on the prevention of identity theft in conjunction with the FTC. Here Federal employees can find helpful information to safeguard their identity and to educate themselves on identity theft.

VISA and MasterCard Make Change in Foreign Transaction Fee Structure

There has been a change in the way VISA and MasterCard are charging GSA SmartPay® banks for foreign currency conversions. Previously, this fee was embedded with the currency conversion rate. GSA SmartPay® banks may list the fee separately from the conversion rate. This is not a new fee. For detailed information, please contact your GSA SmartPay® bank directly.

Next Generation News

Contract Recomplete

The current GSA SmartPay® Master Contract is set to expire November 29, 2008 given the exercise of the remaining contract option periods. The program provides the federal government and its contractors with numerous benefits, and efforts are already underway in planning for the next generation. During Fiscal Year 2005, the GSA SmartPay® program office will be completing strategic, business, and acquisition planning efforts in preparation for the next generation of the GSA SmartPay® program.

GSA's vision for the next generation GSA SmartPay® program focuses on:

- Customer service excellence through improved service support, better customer tools, and greater responsiveness to evolving customer needs;
- Partnerships in program management, control, and oversight;
- Innovation in meeting unique government requirements; and
- Products and services that will make the next generation government charge card program secure and robust.

As part of these efforts, we will be soliciting input from key stakeholders, including A/OPCs. It is anticipated that the next generation of the program will be competed in Fiscal Year 2006. The RFI is planned to be distributed in the May 2005 timeframe.

As we go through the acquisition planning and management phases and the transition planning and management phases, we will provide updates on key developments in the process.

Stay tuned to upcoming issues of *Get Smart* for more information on Next Generation News!

Contact Us

If you have suggestions or comments about *Get Smart*, please contact Dena Gross at (703) 305-6995 or via email at dena.gross@gsa.gov.

Statistics

Recoveries and Write-offs

In February 2005, travel Individually Billed Account (IBA) recoveries totaled \$338,447, while travel IBA write-offs totaled \$388,661.

GSA SmartPay® would like to acknowledge the following agencies which had no write-offs in February 2005: Agency for International Development, Department of Education, Department of Labor, General Services Administration, National Aeronautics and Space Administration, National Science Foundation, Nuclear Regulatory Commission, and Office of Personnel Management.

GSA SmartPay® would also like to acknowledge the following agencies whose recoveries exceeded write-offs in February 2005: Agency for International Development, Department of Defense, Department of Education, Department of Justice, Department of Labor, Department of Transportation, General Services Administration, Small Business Administration, and Social Security Administration.

IBA Delinquency Accounts

The GSA SmartPay® program is pleased to announce that delinquency rates of government-wide IBAs fell from 6.41% in January 2005 to 3.55% in February 2005.

GSA SmartPay® would like to acknowledge the following agencies whose delinquency rates were 2% or less in February 2005: Department of Education, Department of Energy, Department of Justice, Department of Labor, Department of Transportation, Department of Treasury, Department of Veterans Affairs, National Science

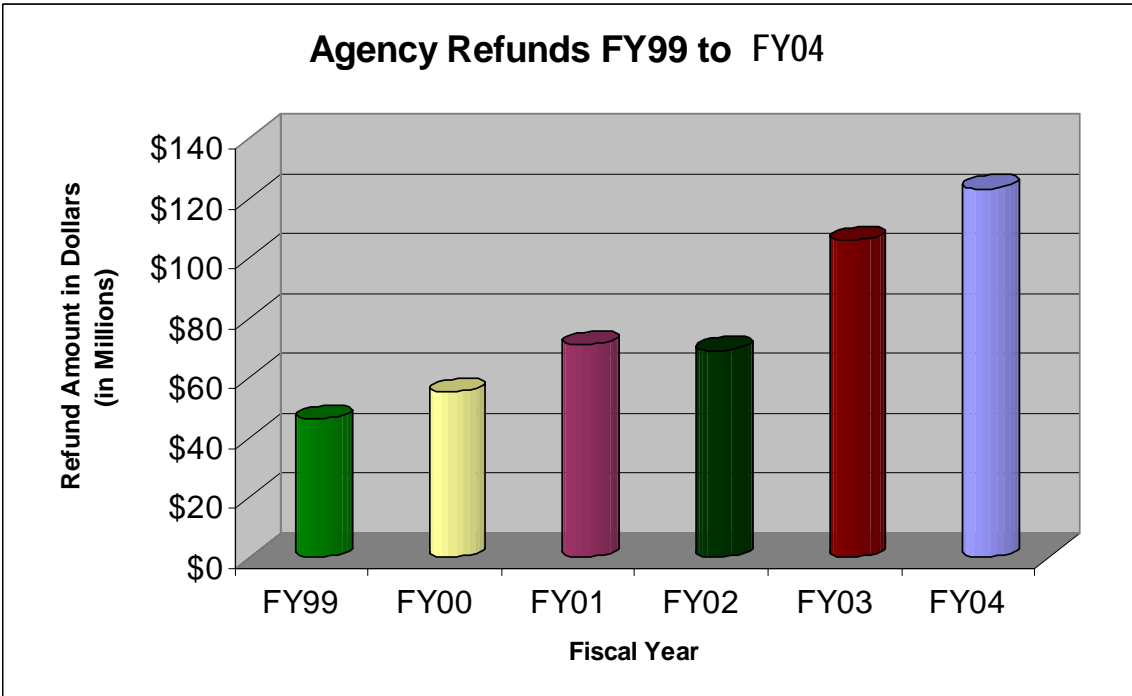
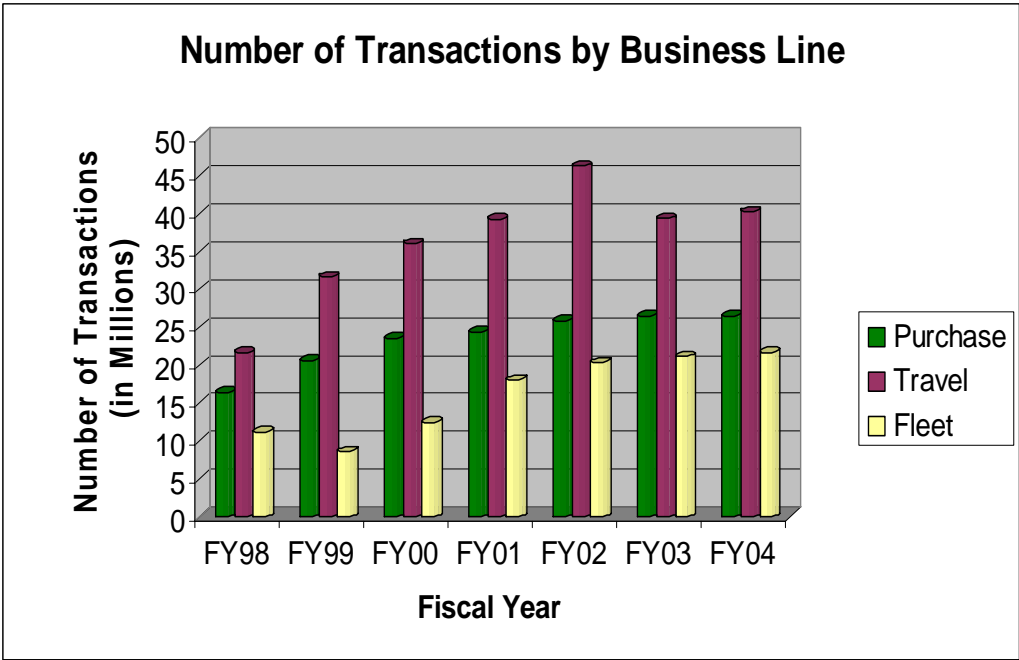
Foundation, and Social Security Administration.

Charge Card Growth

The government-wide charge card program continued to grow and reach new heights in FY04. The purchase card program hit the \$17 billion range with over 26 million transactions. Continued efforts by GSA and OMB working with agencies to share best practices regarding the appropriate use of the purchase card contributed to the success of the purchase card program. The travel card program's total spending reached over \$6.7 billion with over 40 million transactions. The Federal Travel Regulation (FTR) redefined the term "infrequent traveler" which gave agencies the flexibility to limit the issuance of travel charge cards to employees. The number of transactions for each business line has remained constant over the past two years, while refunds to customer agencies totaled over \$123 million, surpassing last year's total by \$17 million. *(Please refer to the graphs on the following page for changes in the charge card program statistics over the years.)*

Tools

Want to learn more about the GSA SmartPay® program? Looking for training related to government charge cards? Want hints on managing a successful charge card program? Go to www.gsa.gov/gsmartpay! You'll find information about the GSA SmartPay® program, training for cardholders and A/OPCs, best practice guides, GSA SmartPay® Conference presentations, GSA Expo presentations, customer agency information, and much more...



KNOWLEDGE SHARING

Success Stories

Share your success! You've achieved great success in streamlining operations through using purchase, travel, and fleet cards. Share your experience with your colleagues. Other agencies can benefit from the enhancements and best practices of individual agencies. We will highlight your achievements in upcoming issues of *Get Smart*.

Please submit your success story to Dena Gross at dena.gross@gsa.gov. Stories should not exceed 250 words. GSA SmartPay® reserves the right to edit contributions for publication.

Best Practices

Travel Card Delinquency Management

Travel IBA delinquency rates hit an all time low of 3% in September 2004. How does your agency compare?

Delinquency management is extremely important in lowering delinquency rates. Implementing the following delinquency management best practices will ensure long term program viability, reduce administrative burden, and increase refunds:

- Optimize the use of bank internet management tools by reviewing delinquency reports (pre-suspension, suspension, pre-cancellation, and cancellation);
- Involve agency managers and supervisors when problems arise; send weekly delinquency reports to upper management;
- Sign and certify weekly for each program office that delinquent employees have been notified;

- Publicize travel card delinquency penalties and enforcement actions; take disciplinary action such as suspension of privileges and reactivation of accounts, as appropriate;
- Provide training to cardholders;
- Implement salary offset and split disbursement;
- Apply lower spend limits;
- Create an in-house task force to combat delinquency.

Upcoming Events

GSA SmartPay® Conference

The 7th annual GSA SmartPay® Conference will be held **August 30 – September 1** in **Boston, MA**. The conference is designed for A/OPCs, designated billing office personnel, and IG staff for purchase, travel, and fleet business lines of the GSA SmartPay® government-wide charge card program. The conference attracts around 4,000 attendees who represent more than 350 agencies and organizations. This year's conference will provide over 220 lectures, hands-on electronic access training, and best practice roundtables for managing government charge card programs. For more details, please visit the GSA SmartPay® website at www.gsa.gov/gasmartpay.

GSA Expo 2005

GSA Expo 2005 will be held **May 3-5** in **San Diego, CA**, at the San Diego Convention Center. GSA SmartPay® will offer training on the following topics: managing your travel card program; managing your purchase card program, and; purchase card usage. More than 200 hours of training courses will be offered, and attendees can earn Continuing Education Unit (CEU) credits for selected courses. The exhibit floor will have over 600 companies displaying their products and services ranging from IT to recreation and vehicles to pest control to financial management. Please visit www.expo.gsa.gov/ for more details.