Gift Card Fraud

Gift card fraud is estimated to be just under 1% of card sales, which may not seem significant. However, with gift cards sales estimated at $160 billion in 2017, that's nearly $1.6 billion in fraud annually. *PLI offers a number of solutions for protection.*

Theft Deterrents

PIN Numbers and Security Tape
Entering a PIN number to activate a gift card can be a deterrent to card number theft. The PIN number is revealed after scratching off security tape on the back of the card. As a further theft deterrent, PLI offers "tamper-evident" security tape that alerts buyers and cashiers that the security tape has been altered to reveal the PIN number on the back of the gift card.

Card Carrier Solutions
Tamper-evident gift card carriers are another theft deterrent. By enclosing gift cards in carriers that must be opened to reveal the card number, stolen/returned cards are more easily detected by both legitimate card purchasers and cashiers. PLI works closely with merchants to develop cost-effective, tamper resistant card carriers.

Protecting Data

Data breaches and theft of bulk card data can result in potentially large losses and are obviously a big concern to merchants. PLI takes measures to ensure all card data is secure throughout the entire card manufacturing process.

Data Encryption

All card data PLI manages is encrypted (translated to cipher text and rendered unreadable) throughout the entire card production process. Data resides on a separate, dedicated, highly secure server at PLI.

Security Monitoring

Security cameras are located throughout all PLI's production facilities. Employees are not permitted to bring cell phones or other recording devices to the production floor.

Types of Gift Card Fraud

Gift card fraud can occur via data breaches, hacking, acquiring gift card numbers in bulk via phishing, SQL injection, and social engineering. Fraud can also occur as a result of programming errors on the merchant side and even accidentally. Cashiers activating gift cards can willingly, or sometimes unknowingly, participate in fraudulent schemes.

Although the consequences are not as great as data breaches and bulk card number theft, stealing individual card numbers is a concern for retailers and other merchants.

Theft of Individual Gift Card Numbers

Card numbers can be stolen in a variety of ways -

- Photographing card numbers at the store

- Writing card numbers down at the store

- Taking a stack of cards home, writing down or scripting the numbers (using a mag stripe reader), then sneaking the cards back into the store and placing them back on the shelf

After card numbers are stolen, the wait for the card to be activated begins. Fraudsters continuously check card activation and balances on merchant's websites (often automatically with "bots" if security measures are not in place). Once a card is activated, the card balance is quickly drained by the thieves.

Did You Know?

PLI has made significant investments in taking our data security to an extent unprecedented in the closed loop space. External organizations have audited and verified that we have the highest level of information security controls in place – well above industry standards.

For information on PLI's gift card security standards and theft deterrent solutions, please contact your PLI representative at **1-800-752-1017** or visit us at **www.plicards.com**.

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