

THE PROCESS OF RESOLVING FRAUD CHARGES ON JPMC PCards:

- Cardholder notifies JPMC of fraudulent charges on his/her purchasing card account, calling **888-307-2990**. To discuss these charges, the cardholder must know their 4-digit security code. It is NOT last 4 digits of SSN. Contact PCard Administrator at 509-335-3541 to verify the correct 4-digit security code if necessary.
- Or, JPMC may contact Cardholder to verify charges they suspect are fraudulent. 4-digit security code is needed to discuss the charges in question.
- JPMC closes the card with reported fraudulent charges. It is then called the closed account or “fraud account”.
- JPMC issues a new card to the cardholder. (new number, new expiration date, new 3-digit printed security code) Cardholder must provide the new number to any merchants automatically billing the now closed account.
- All open charges on the closed account automatically appear on the new card. (valid and fraudulent)
- JPMC then manually transfers the fraud charges back to the closed account. This process creates a third transaction for each fraud charge. Do not reconcile the fraud charge that is transferred back to the closed account. It will be removed by JPMC’s fraud department, in time. It could take up to 90 days.
- In the ensuing fraud investigation, JPMC tries to recover the loss from either the perpetrator or merchant. When the money is recovered, the fraud charge is removed from the closed account. If after 90 days, there is any uncollected amount the balance is removed from the closed account and the fraud case is considered closed also.

EXAMPLE

<u>TransID</u>	<u>PostDate</u>	<u>Amount</u>	<u>Merchant Name</u>
----------------	-----------------	---------------	----------------------

571799	07/12/2007	\$39.95	DIGITAL STREAM
---------------	-------------------	----------------	-----------------------

Original fraud charge, transferred to **new account** an automated process.
Reconcile this transaction. It is zeroed out by the following credit.

582039	07/13/2007	(\$39.95)	XFER DIGI STRM/0000958832
---------------	-------------------	------------------	----------------------------------

Credit on **new account**. Reconcile this transaction with the same coding as the charge above.

592004	07/13/2007	\$39.95	XFER DIGI STRM/0002246157
---------------	-------------------	----------------	----------------------------------

Debit to the **closed account** in order to open and process a fraud case.
The card reconciler leaves this charge unreconciled. It will clear off the account in 90 days or less.

Glossary of PaymentNet Terms related to Fraud Charges

Merchant Name Field in PaymentNet	CHARGE OR CREDIT	Explanation of Transaction
Merchant name	0.00	A charge by merchant; the transaction identified as fraud by cardholder.
MO/TO – FRAUD W/O	0.00	A fraudulent charge made using only the PCard number, via online transaction or telephone transaction.
XFRD/ (merchant name) / last 4 digits of new account	0.00	Fraud charge transferred to new account, pending work on the charge by JPMC fraud department.
XFRD/ (merchant name) / last 4 digits of fraud account	0.00	Fraud charge transferred back to fraud account.
Fraud Chargeback	(0.00)	Credits made to zero out account.
Merchant name	(0.00)	Direct credit to the account by merchant.
MER CREDIT/ (merchant name)	(0.00)	The credit was recovered from the merchant by JPMC.
COURTESY WRITE OFF	(0.00)	JPMC credit for small amounts.
COURTESY CREDIT/	(0.00)	JPMC credit for small amounts.