



**STATE OF HAWAII  
STATE PROCUREMENT OFFICE**

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October 14, 2011

**PROCUREMENT CIRCULAR NO. 2003-06, Amendment 15**

TO: Chief Procurement Officers:

Department of Education, Superintendent  
(excludes Charter Schools)  
Office of Hawaiian Affairs, Chairperson  
Hawaii Health Systems Corporation, Chief Executive Officer  
(excludes Regional System Boards and Hospitals)  
Judiciary, Administrative Director of the Courts  
Senate, President  
House, Speaker of the House of Representatives  
Counties of Hawaii, Kauai, Maui, and City & County of Honolulu:  
Executive Branch, Finance Director  
Legislative Branch, Chairperson of the County Council  
Boards/Department of Water Supply, Manager/Chief Engineer

FROM: Aaron S. Fujioka, Administrator

A handwritten signature in black ink, appearing to read "Aaron S. Fujioka".

SUBJECT: State of Hawaii Purchasing Card - Mandatory Photo Card

This circular replaces the following memos:

- *State of Hawaii Purchasing Card (pCard) - Photo Card*, July 7, 2008; and
- *Mandatory Photo on pCard*, August 28, 2008.

All CPO jurisdictions are reminded that all pCards are required to be assigned to an individual employee and be imprinted with a photo identification. pCards not designated with a specific employee name, such as pCard designated to a department/agency often referred to as department cards or ghost cards are not permitted.

According to the Federal Trade Commission, the cost of credit card abuse reaches into the hundreds of millions of dollars each year and is on the rise. It is important governmental agencies take every precaution to eliminate fraudulent use by taking advantage of all security measures provided by the card issuer for the State's pCard program. An employee designated photo pCard not only protects against unauthorized use, including loss or stolen cards, but also provides jurisdictions greater accountability.

A pCard without an employee's name embossed on the card has no protection against fraud, abuse, or misuse. The State's pCard program currently includes First Hawaiian Bank's (FHB) Zero Liability Policy and MasterCard's MasterCoverage. These liability protection programs protect jurisdictions from fraud, abuse, and employee misuse of charge privileges. However, it does not apply to department cards or ghost cards or any card that is not assigned to single individual with photo. Without the protection the jurisdiction is responsible for all charges incurred up to the pCard's credit limit. Although a pCard may primarily be used for online transactions, this does not preclude the pCard from fraud, and without the liability protections, the pCard is vulnerable to financial loss.

Your staff may call Bonnie Kahakui at 587-4702 if they have any questions, or you may call me at 587-4700.