



BUREAU OF THE
Fiscal Service
U.S. DEPARTMENT OF THE TREASURY

Stored Value Cards Program

Supporting Unique Agency Needs

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E-Commerce Partnership



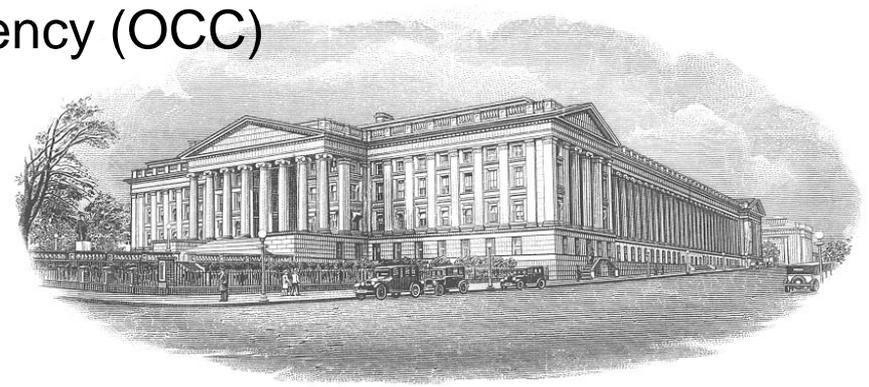
Stored Value Cards Program Overview: Supporting Unique Agency Needs

AGENDA

- Treasury and Fiscal Service Overview
- Stored Value Cards (SVC) Background, Mission, and Overview
- SVC Equipment and Program Benefits
- Case Studies – U.S. Army and U.S. Navy
- SVC Locations
- SVC Program Support
- Future State of SVC Program and Metrics
- How can the SVC Program Support Your Organization's Needs?

TREASURY BUREAUS

- Alcohol and Tobacco Tax and Trade Bureau (TTB)
- Bureau of Engraving & Printing (BEP)
- Community Development Financial Institution (CDFI)
- Financial Crimes Enforcement Network (FinCEN)
- **Bureau of the Fiscal Service (Fiscal Service)**
- Inspector General
- Treasury Inspector General for Tax Administration (TIGTA)
- Internal Revenue Service (IRS)
- Office of the Comptroller of the Currency (OCC)
- The U.S. Mint



BUREAU OF THE FISCAL SERVICE

OUR MISSION:

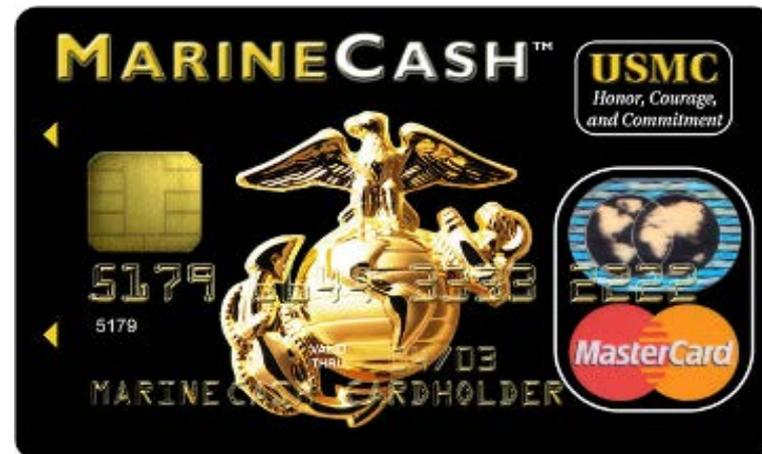
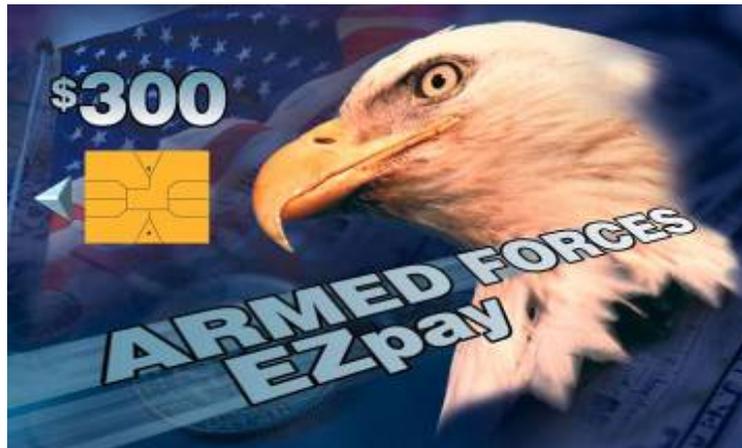
We exist to promote the financial integrity and operational efficiency of the federal government through exceptional accounting, financing, collections, payments, and shared services.



U.S. Treasury Stored Value Cards Mission

Provide an efficient, secure, flexible, and cost-effective electronic cash management solution for the U.S. military, federal government agencies, and account holders.

Stored Value Cards (SVCs) Were Developed To Meet DoD's Cash Management Needs



Stored Value Cards Programs Overview



- ❑ Non-reloadable card
Issued and accepted at all U.S. Army, U.S. Air Force, and U.S. Marine Corps Recruit Training sites
- ❑ Reduces cash and workload on-post, optimizes recruit training time, and increases convenience and security for cardholders

- ❑ Re-loadable card issued to U.S. military personnel serving in designated overseas areas
- ❑ Reduces cash and workload on-post; increases convenience and security for cardholders
- ❑ Accepted at all on-post merchant locations (i.e. PX/BX, Postal Facility, and local concessionaires)

- ❑ Re-loadable “hybrid” card (contains chip and mag-stripe); issued prior to deployment
- ❑ Reduces cash and workload on ship; increases convenience and security for cardholders
- ❑ Ship store and vending machines equipped with chip acceptance devices; mag-stripe is used to access ATMs ashore and POS Debit networks ashore.

Stored Value Cards Programs Overview

SVC Programs	EagleCash 	EZpay 	Navy Cash/Marine Cash 
Application	Overseas supports U.S. Army, Air Force, Navy, Marine & contingency operations.	Domestic used by U.S. Army, Air Force, & Marines recruit basic training.	Hybrid used by the U.S. Navy and Marines supports operations at sea and ashore.
Issuer /Acquirer	Federal Reserve Bank of Boston (FRBB)	FRBB	JPMorgan Chase (JPMC)
Scope	60+ Military Bases in 14 countries; several bases in the U.S.	Army- 4 (100% recruit) Air Force- 2 (100% recruit) USMC- 2/1 (100% recruit)	Surface Combatant Ships (currently installed on 140+ ships)
Card Funds	Re-loadable at Finance Office (FO) or self-service Kiosk	Disposable/Prepaid card (payroll advance)	Re-loadable at Disbursing Office or self-service Kiosk
Card Use	On-base merchants	On-base merchants	On/off ship merchants

Stored Value Cards Programs Overview

- The U.S. Treasury's SVCs provide cardholders & authorized personnel a **cash substitute** to enhance **financial flexibility** in areas with limited communications or financial infrastructure, or where there is a desire to **reduce the requirement for hard currency**
- SVCs can be **linked to the user's personal bank account** for fund access or can be loaded locally at a stakeholder Finance Office
- “Card for All Seasons”
 - Online/Offline
 - Open Loop/Closed Loop
- Cardholders have instant access to their funds irrespective of location or time

Stored Value Cards Programs Overview

- No transaction or service fees for merchants or cardholders
- Enhanced security with PIN-protection on all transactions
- Monetary value on lost or stolen card may be replaced
- Designed to meet unique operating needs and environment of U.S Military, but scalable across United States government agencies
- SVC programs include a robust Anti-Money Laundering and Suspicious Activity Report monitoring regime
- Treasury supports all back-end servicing, accounting, and reconciliation costs; agencies pay only for customer-facing equipment

SVC Equipment

KIOSK

LAPTOP



POINT OF SALE



SVC Program Benefits

- Supports the President's agenda for initiatives that advance E-Commerce
- Cash management tool for cardholders, standardizes cash management (disbursing) processes, and improves internal controls
- Proven in deployed military environments; 100% auditable
- Expedites payment for merchants for their cash deposits
- Reduces the need for US currency abroad and associated costs (reduction of workload associated with transporting , securing, counting, losses, and administration of U.S. currency)
- Immediate and secure means of having funds available for cardholders

Conventional Wisdom:

“CASH IS KING”



Difficult Reality:

Cash is a **Nightmare**

- Expense
- Accountability
- Security
- Fraud/Waste/Abuse
- Workload & Manpower Issues
- Employee Morale (Accessibility)

United States Army



Case Study #1 – U.S. Army

United States Army (1999-Present)

- Areas of Contingency Operations
- Operation Iraqi Freedom & Operation Enduring Freedom
- Cash as main source of funding for soldiers, contractors, casual pays, etc.
- Same cash was ending up in the hands of insurgents attacking U.S. troops and interests

Financial Management Challenges



Transportation



Security



Financial Management Challenges

Accountability



Access



Solution:

SVC Program – EagleCash Card

- Cash management tool designed to support U.S. Military personnel in combat zones and peace keeping missions. A re-loadable card to purchase goods and services.

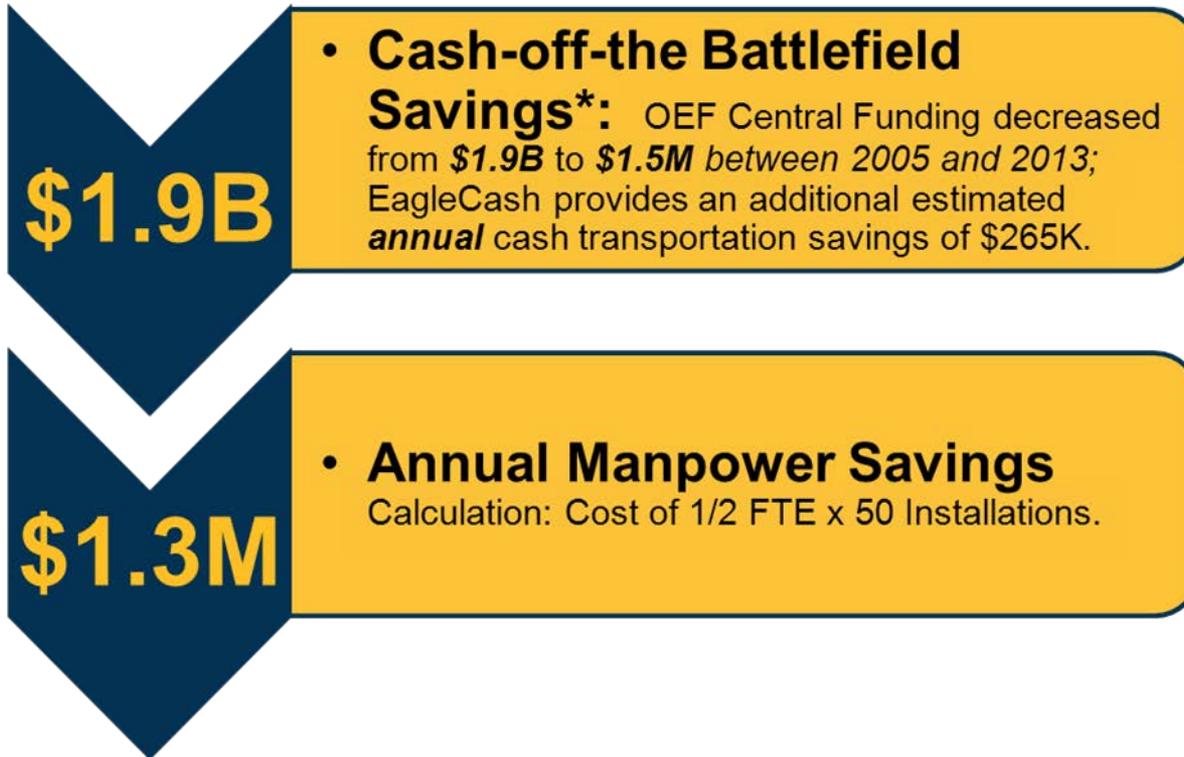


About EagleCash - Benefits

- Fully auditable
- 24/7 Access to Accountholder funds
- Lessened workload on Finance Offices - cash has been reduced by 50-70% for payroll and check cashing and a 49% reduction in the amount of cash
- Functional Offline (Instant Access)
- No interchange fees
- PIN protection (Security)
- Accepted all over base/post
- Eliminates need for Cash or Checks
- Merchants paid immediately



Impact to the U.S. Army:



**Reduction inclusive of diminution of war effort and multiple Treasury E-Commerce Programs (SVC, OTC.Net, US Debit Card, ITS.Gov, etc.)*



SVCs Improve Mission Readiness

Before EagleCash:



After EagleCash:



United States Navy



Case Study #2 – U.S. Navy

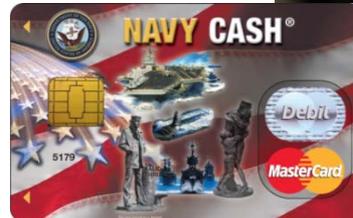
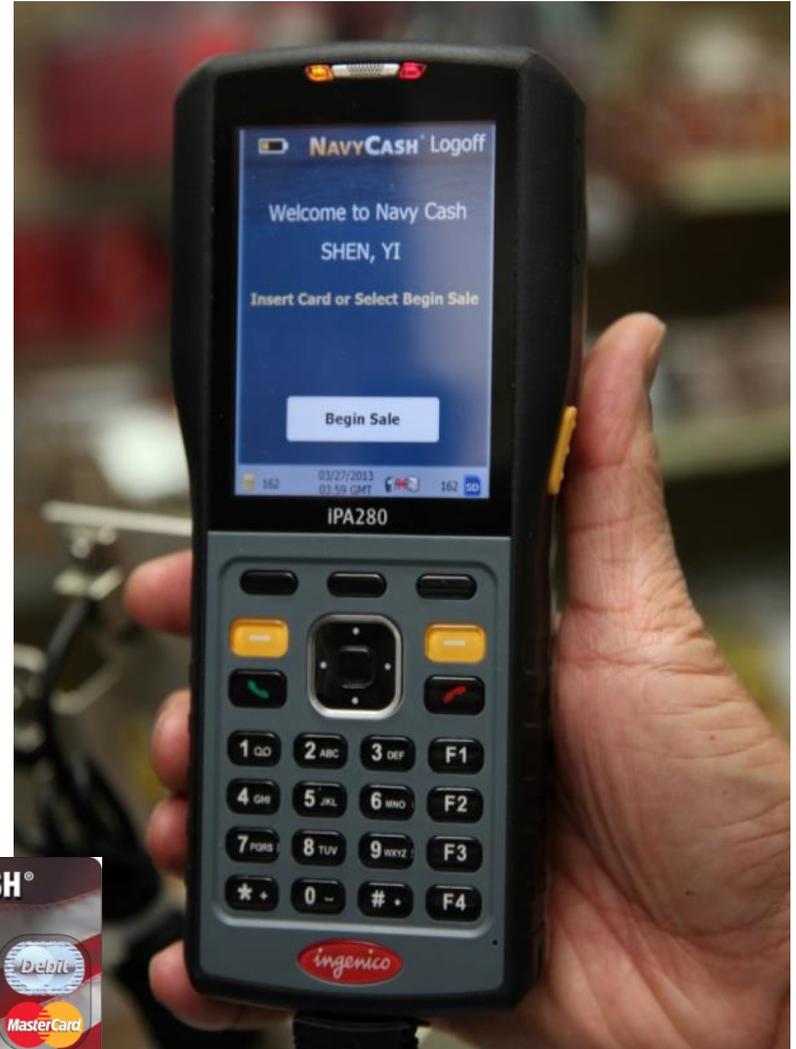
United States Navy (2003-Present)

- Cash onboard ships – millions of \$ per deployment
- Shipboard sales (ship store, vending, mess hall)
- Funds for shore leave
- Pressure on Disbursing Office



Solution: Navy Cash Card

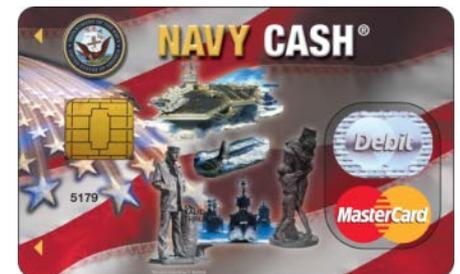
- Prepaid debit cash management tool
- Hybrid card using smart card technology.
 - Chip: Closed-loop afloat.
 - Strip: MasterCard branded open-loop ashore.
- Cards issued/replaced on-site (Instant Issue).
- Non-ship personnel use the Instant Issue card to pay room and mess bill.
- Information stored and processed on card.
 - Transactions authorized “off-line”.
 - Transactions batched and forwarded from ship servers to Navy NOC and forwarded to JPM.
- Optional split pay for direct deposit to MasterCard strip account.



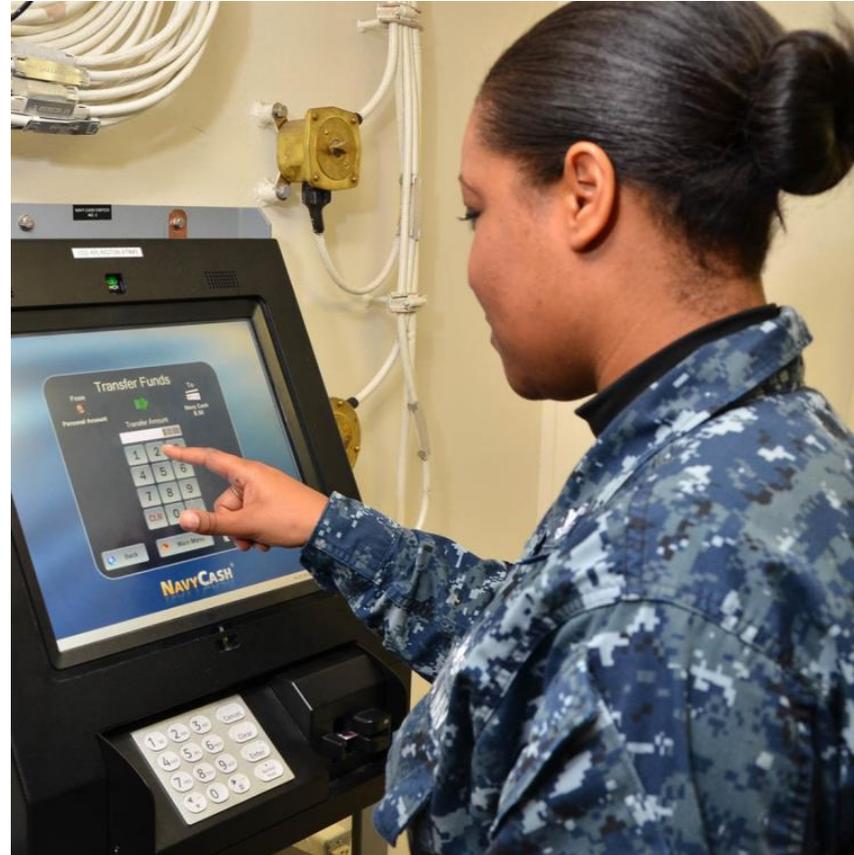
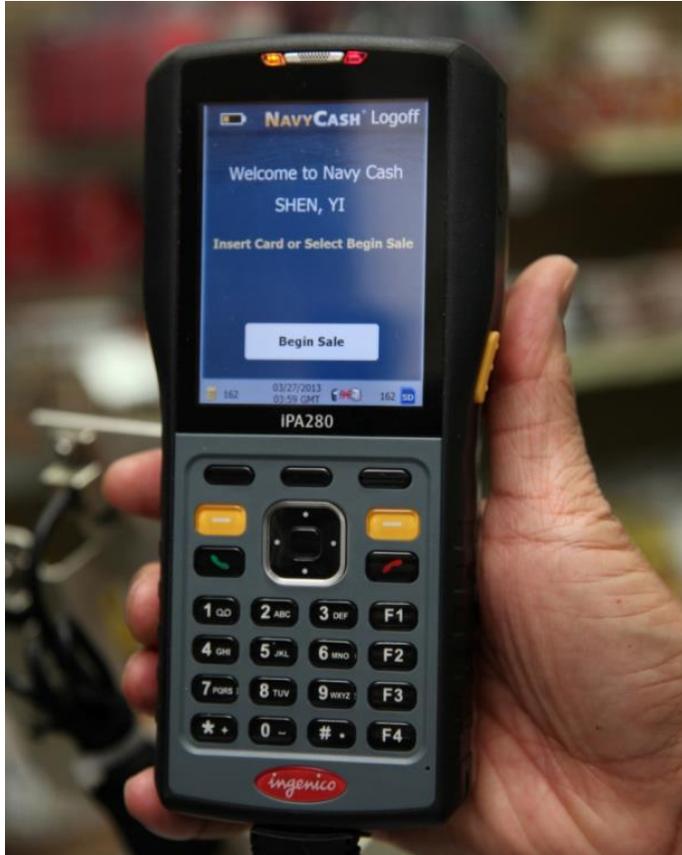
Impact to the Navy

\$65 Million Less Carried in the Fleet at any Given Time

	Pre-Navy Cash™	Navy Cash™	Percent Reduction
Air Carrier	\$10,000,000	\$3,500,000	65%
Amphibious	\$1,600,000	\$400,000	75%
Cruiser	\$400,000	\$100,000	75%
Destroyer	\$400,000	\$100,000	75%
Frigate	\$200,000	\$50,000	75%



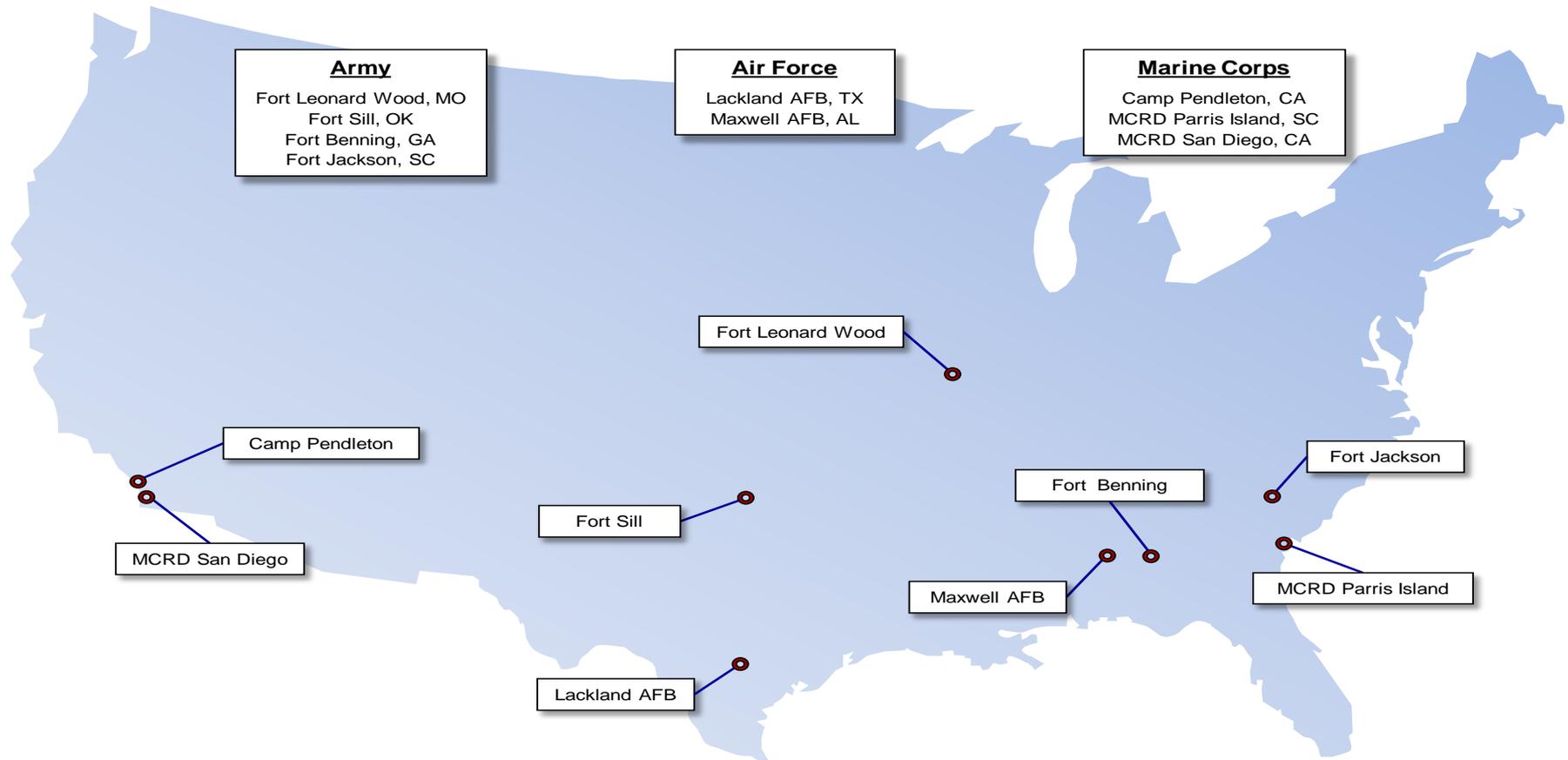
Navy Cash Program



EZpay Locations

EZpay Sites

As of June 2014



About EZpay - Benefits

- Funds represent an advance of pay for recruits
- Increases instructors training time by reducing time for the trainees to obtain funds
- Assists trainees in the management of their money, adds security features and reduces the cost of handling physical coin and currency
- Lessens workload on Finance Offices – no more issuing cash or cash equivalents
- Reduced costs for Finance Offices by 62% for the activities that comprise the issuance and reconciliation of advance pay
- Merchants paid immediately and without any fees

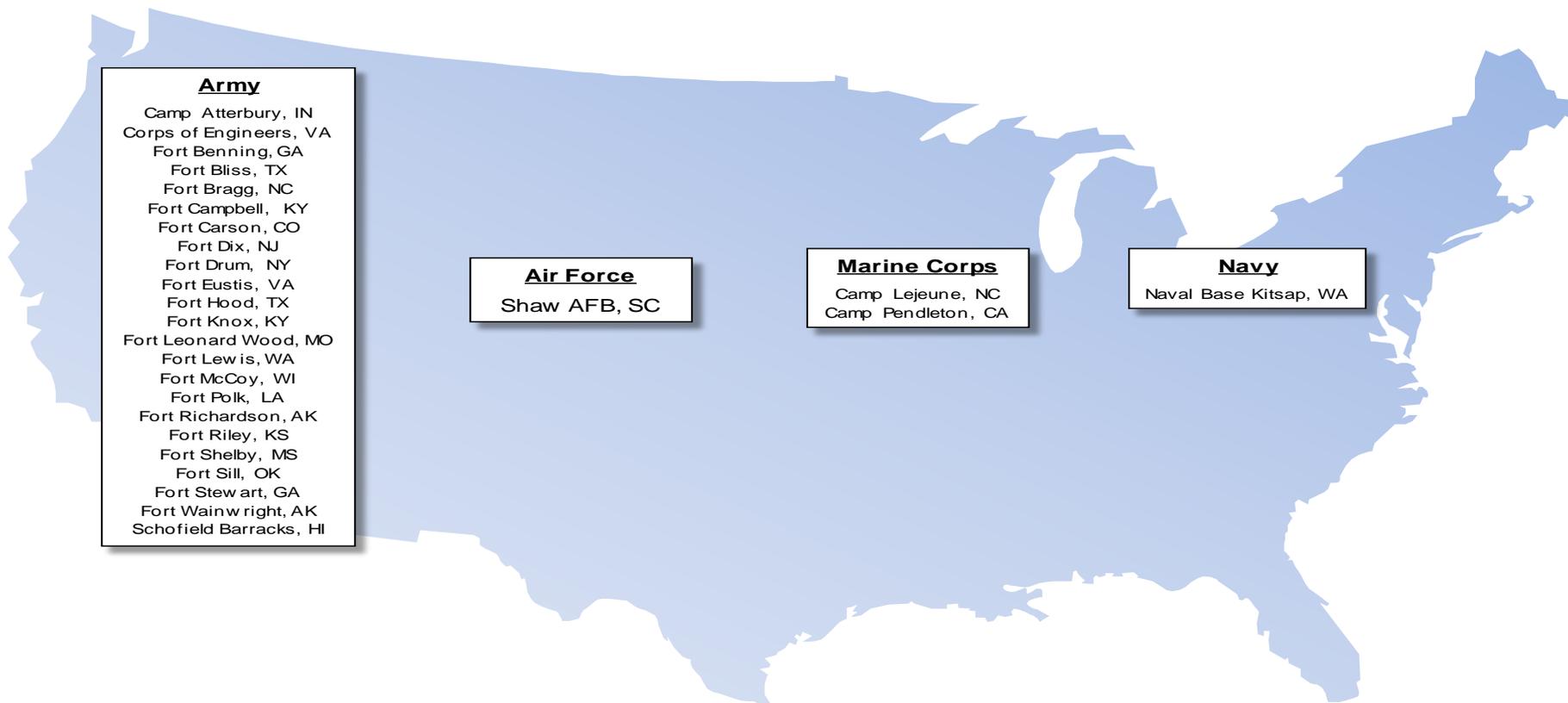


EagleCash Locations – CONUS

(Overlaps EZpay at Fort Leonard Wood and Fort Sill)

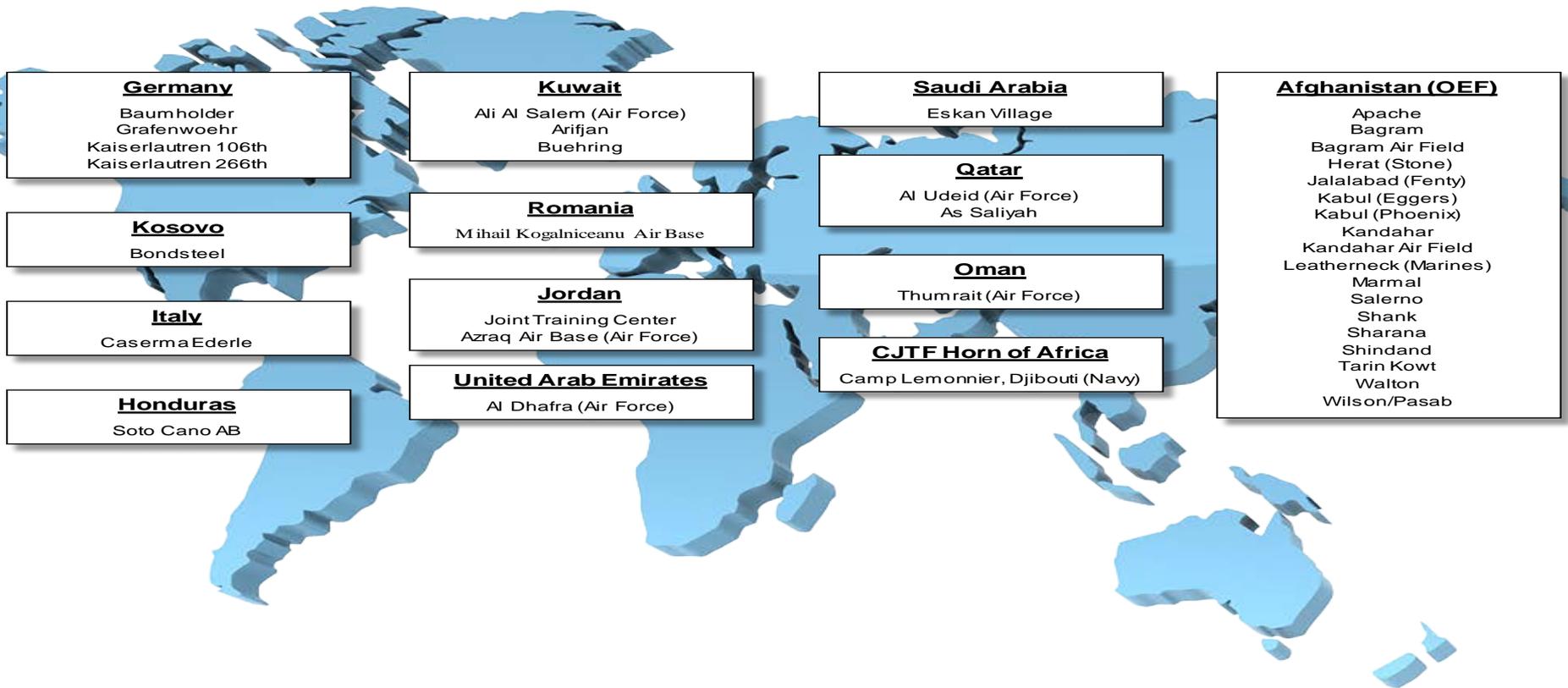
EagleCash Sites — CONUS

As of June 2014



EagleCash Locations - OCONUS

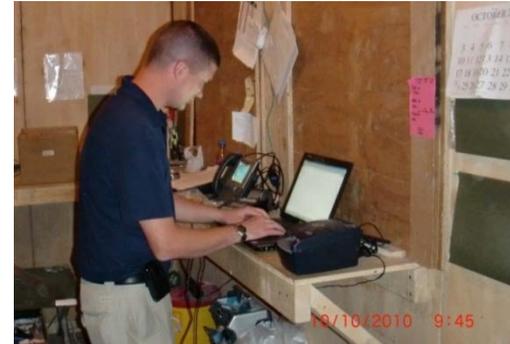
As of June 2014



SVC Program Support

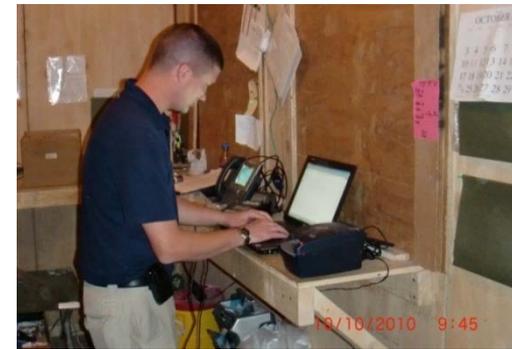
Globally-based Sustainment Team

- Strengthen and optimize the execution of the SVC application in contingency areas of operation
- Visit locations in the AOR to provide training, support, HW and SW installations and inventory
- Ensure SVC Operational Excellence through wellness visits



SVC Program Support

- Embedded Treasury/Fiscal Service personnel currently based in Afghanistan, Kuwait, Qatar, and the U.S.
- In addition, “Boots on the Ground” support and liaison efforts by CONUS-based SVC ECST team lead
- Comprehensive remote and on-site support and training for all Naval ships
- Annual wellness visits to all domestic SVC locations



SVC Success Story

Proven U.S. Military Application

- SVCs have been in operation for over 14 years
- Over 6.4 Million cards have been issued and \$7.2 Billion in electronic currency “loaded” since inception
- SVC has collectively saved our customer agencies in excess of \$531 million over the years due to eliminating wait times for trainees, Finance Office man-hours, cash transportation costs, theft/loss, etc.

SVC Program Metrics

- Fiscal Year 2013:
 - # of Times Financial Value Added – 5,665,136
 - Total Dollar Value Loaded - \$727 Million
 - Total Transactions Processed – 50 Million
 - Total # of Cards Issued – 529,438
 - Total # of Merchant Transactions – 23.5 Million
 - Total # of Merchant Sales – \$548 Million

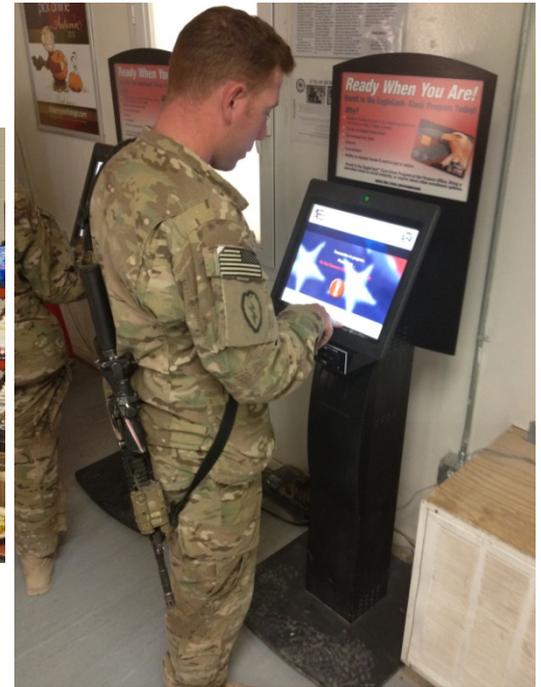
- Program to Date:
 - # of Times Financial Value Added– 51,780,480
 - Total Dollar Value Loaded - \$7.19 Billion
 - Total Transactions Processed– 480 Million
 - Total # of Merchant Transactions – 201 Million
 - Total # of Merchant Sales – \$4.6 Billion

SVC Program Future State

One Consolidated SVC card

- EMV industry standard is the platform
- Hybrid card offers use in open-loop, closed-loop, on-line, and off-line environments
- Seamless use covers entire SVC footprint – interoperable throughout current environment
- “Cradle to Grave” card
- Customizable features for agency use
- Economies of Scale and Scope – COTS hardware eliminates proprietary devices
- Deployable and scalable rapidly and globally

SVCs in Action



How Can the Stored Value Cards Program Support Your Organization's Needs?



Stored Value Cards Program

Questions?

Contact Information



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