



## Front Office

by William D. Frye, Ph.D., CHE

# In today's hotel environment, six steps to ensure guests' identity and privacy

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Just this past month the president of Lifelock®, the identity theft protection provider, admitted on television that his identity had been compromised by a thief the previous year through an online payday loan operation. This admission by Todd Davis was somewhat shocking even though he has spent the better part of the past two years sharing his social security number with anyone who would listen through print and broadcast media channels in order to promote his fraud prevention company's services. The reliability of Lifelock's services is not what is at discussion here. What this news story does illustrate is that no one is immune to potential identity theft or invasion of personal privacy.

In fact, a 2007 identity fraud survey report by Javelin Strategy and Research reveals that 8.4 million Americans were the victims of identity fraud in 2007, totally \$49.3 billion or an average of \$5,720 per victim. Based on the Federal Trade Commission's compilation of consumer complaints for that time frame, the FTC reported that credit card fraud was the most pervasive form of identity theft at 25 percent of all complaints. Given that hotels house and serve perfect strangers (as our guests) and thus handle financial transactions on a daily basis, lodging facilities are a perfect haven for those who may seek to compromise someone else's identity through either impersonation of someone else or use of others' credit cards, travelers checks, or personal checks.

Realizing the omnipresent threat that is posed on a daily basis, every hotel has a responsibility to safeguard the identity and financial instruments of its guests to the extent that it can and not serve as the conduit to identity compromise or the source of identity theft. In this effort, here are six steps that every hotel can and should undertake to do our part to ensure each guest's identity and privacy:



**1. Match the signature on the back of the guest's credit card to that on the registration card.** At check-in, if the guest presents a credit card with no signature or an illegible signature, require that the guest must also furnish government-issued identification (e.g., passport, driver's license, military identification, etc.). Match the signature on the second form of ID to the registration card. If the signatures do not match, do not accept the credit card being offered, insist that the guest must either furnish a credit card with a matching signature in his name or else he must pay by cash. At this point, do not accept any personal checks for payment as the guest has not established that he can replicate the signature on his credit card or government-issued identification.

**2. Always require or authorize for full payment of anticipated hotel services in advance.** This means to actually authorize the credit card for the room rate, room tax, parking and any anticipated incidental charges at the point of check in. Authorizing the credit card at check-in accomplishes several things. First, it verifies that the credit card has not been reported as lost or stolen nor is it a counterfeit. Second, it ensures that the card holder has sufficient credit to pay for the anticipated charges during their hotel stay. Authorizing sets these funds aside from the rest of the credit on that card that may be available to the card holder and ensures that the hotel will be paid up to the limit requested through authorization. For guests paying by cash or traveler's check, require full prepayment in advance for all anticipated expenditures including a deposit for incidental expenses. Always require these guests to furnish government-issued identification and either photocopy the ID or copy down all the pertinent information on the back of the registration card. Guests who refuse to furnish such ID should never be permitted to rent a guestroom. And again, match the picture and signature on the ID to the guest's face and signature on the registration card. If they don't match, do not rent to them!

**3. Secure all documents at the front desk that contain guest information.**

This means that registration cards, credit card receipts, copies of folios, guest checks, point of sales receipts, etc. all must be kept locked up or under the immediate control of appropriate hotel personnel. Never leave the hotel front desk unattended without locking up all guest and credit information. If you absolutely must leave the front desk, take the arriving reservations, the in-house bucket, and the stack of departed



registration cards and lock them in the back office. Lock down all computer terminals so they may not be accessed without the proper password. Make sure that all cash/checks/financial instruments and rooming lists are also locked up. It is too easy for a thief to lean over or hop across an unattended front desk and retrieve valuable identity and financial information when a front desk is left unattended. You would be surprised how fast a veteran thief can cross a front desk, find identity information and depart without being seen. Best course of action, never leave a front desk unattended!

**4. Never issue a credit card receipt, a refund of a cash deposit, or cash a personal or traveler's check without checking the guest's identification first.**

Let's start with credit card receipts. If a departing guest comes to your front desk and asks to check-out and wants a credit card receipt, ask them for ID first. Otherwise, how do you know they are the actual guest or cardholder? Many front desk clerks are pretty good at ascertaining the identity of guests who are registering for their hotel stay, or who need a replacement room key. But unfortunately, most fail to realize that they should also be checking the identity of those they are checking out of their property management system and issuing receipts to. I bet that if you watch your front desk clerks at check-out time tomorrow morning they will issue a receipt to anyone who states a room number and perhaps a last name. What's wrong with this scenario? Everything, as guest folios contain personally identifiable information such as name, address, frequent stay club numbers, and in some cases, credit card numbers. As a general rule, folios, guest checks, and credit card receipts should never contain the full credit card number, just the last four digits. For personal checks, always use a check verification service and follow their authorization steps to the exact standard. This will usually entail obtaining driver's license information and entering it into the authorization system. When accepting traveler's checks always inspect the travelers check both before and after the counter signature is rendered. Never accept traveler's checks that do not bear an original signature or where the counter signature does not match. Never accept a traveler's check where the counter signature has already been signed. Counter signatures must always be made in the presence of the cashier. Obtaining government issued ID when cashing traveler's checks is prudent.

**5. Restrict access to guests' identity and credit information to only those employees who have a legitimate need to know.**

While a housekeeper or engineer may need to know the name of a guest in a particular room, they certainly do not need access to the guest's folio or credit information. In order to restrict access to this sensitive information, only permit front desk and accounting personnel to those physical areas where these records are stored. Registration cards, credit card receipts, and point of sale receipts older than 30 days should be locked in a central storage room within the hotel. The room must be locked at all times and a security camera should monitor and record the entrance. The key to this room should be secured in a monitored environment and personnel should be required to sign the key in and out. Registration cards, credit card receipts, and point of sale receipts for guests that have checked out within the past 30 days should be locked in the back office or the accounting office. Again restrict access to this area solely to front desk and accounting personnel.

**6. Treat every guest's personal identity as if it was your own.**

Sort of like the "Golden Rule" that we all learned as children, treat every guest's personal and credit information with the utmost privacy and care, as if it were your own identity information that you would not ever want compromised. Do not leave personally identifiable guest information laying about, do not discuss guests' financial or credit matters within earshot of other employees or non-employees who do not have a genuine need to know, always hand a guest's credit card, folios and receipts, or identity documents back to them – never set it on the front desk in front of them, and never repeat credit card or driver's license numbers over the phone in a public environment. If a guest's wallet, purse, or credit card is turned in to the front desk or left behind in the lobby, secure the item in a safe or safe deposit box until it can be returned to the rightful owner. Record the item in the lost and found log book and always check identification before returning these lost or misplaced items to their owners. If a credit card or traveler's check is not claimed within 24 hours, notify the issuing company via phone that the item has been found; the credit card company or bank will cancel the instrument and issue a new one to the card/check holder. Finally, take all potential threats to guests' identity seriously and make it a priority to eliminate avenues within the hotel where such compromise may occur. We owe this to our guests as much as we owe them a physically safe environment to sleep and stay. ✧

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