

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 69-106
April 29, 1969

To All State Member Banks
in the Eleventh Federal Reserve District:

We understand that C. Starkey & Company, Indianapolis, Indiana, has sent letters to banks asserting that the Bank Protection Act of 1968 does not require the installation in banking offices of cameras, or other surveillance devices, and that banks may in lieu thereof install "U. S. Currency Protection Units", which the Company offers for sale. The Board of Governors has advised the Company that, with respect to Regulation P, which applies to State member banks and to Federal Reserve Banks, the assertion is, at best, misleading. For your information, the substance of a letter which the Board has sent to C. Starkey & Company is set forth below.

The Board's regulation provides that if a bank does not install devices at least equivalent to those listed in Appendix A of the regulation, which list includes surveillance devices, then the bank must furnish a statement of reasons for its decision. The regulation also provides that whenever the Board determines that the security devices used by a bank under its supervision are deficient, it may require the bank to take corrective action. Thus, a bank that believes it has good cause for not installing cameras, or other surveillance devices, may nevertheless be required to do so, if the Board disagrees with its decision.

Since the assertion attributed to you could result in purchases by banks of "U. S. Currency Protection Units" in the false belief that they would, by virtue thereof, not be required to install cameras, or other surveillance devices, you are requested to refrain from making such assertions.

The above information is provided for your guidance in connection with requirements of the Bank Protection Act of 1968 and Regulation P.

Yours very truly,

P. E. Coldwell

President