

FEDERAL RESERVE BANK OF DALLAS
DALLAS, TEXAS 75222

Circular No. 73-13
January 9, 1973

To the Chief Executive Officer of the
State Member Bank Addressed:

Attached is a copy of the Board of Governors' press release dated January 3, 1973, relating to steps taken to strengthen its implementation of the Bank Protection Act, which is designed to discourage crimes against financial institutions and to help apprehend the perpetrators of such crimes.

Also attached for comment is a proposed amendment to bring its Bank Protection Act regulation (Regulation P) up to date in the light of developments over the past several years. Comment should be received by February 2, 1973.

Yours very truly,

P. E. Coldwell

President

Enclosures (2)



FEDERAL RESERVE

press release

For immediate release

January 3, 1973

The Board of Governors of the Federal Reserve System took two steps today to strengthen its implementation of the Bank Protection Act which is designed to discourage crimes against financial institutions and to help apprehend the perpetrators of such crimes.

The Board issued for comment, simultaneously with the Comptroller of the Currency, Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board, a proposed amendment to bring its Bank Protection Act regulation (Regulation P) up to date. Comment should be received by February 2. At the same time the Board initiated a campaign to encourage State member banks to install security devices in high crime areas and in offices which have experienced one or more robberies since the regulation went into effect in early 1969.

Statistics compiled by the Department of Justice indicate a continued high level of bank robberies -- as distinguished from burglaries and larcenies -- although the rate of increase appears to have slowed, possibly as a result of implementation of the Bank Protection Act and security measures taken by the banking industry. The Department reported that during the year which ended June 30, 1972, there were 2,600 bank robberies, 360 burglaries, and 212 larcenies for a total of 3,172 offenses. This compares with 2,565 robberies, 471 burglaries and 318 larcenies for a total of 3,354 offenses during the year which ended June 30, 1971.

In instructions to the Federal Reserve Banks, the Board has expressed concern "that the seriousness of the extent of crimes against banks has not abated since enactment of the Bank Protection Act and, in view of the deficiencies noted in security programs of banks which have experienced external crimes in recent months, believes that additional action should be taken to assure that all State members are in compliance with the Bank Protection Act regulation."

The proposal issued today would bring the security standards in Appendix A to Regulation P up to date in light of developments over the past several years. Under the Regulation, if a bank decides not to install, maintain or operate the devices to meet the minimum standards defined in Appendix A, it is required to forward to the Reserve Bank in its district a statement of the reasons for its decision. National banks and Federally insured State nonmember banks are subject to similar regulations issued by the Comptroller of the Currency and the Federal Deposit Insurance Corporation, respectively, which require the preservation in the bank's own records a statement of the reasons for its decision.

The Reserve Banks were asked to review their files and determine:

(a) which banks have reported security deficiencies on forms they have filed since January 1, 1970, and which banks have been cited in examination reports as deficient.

(b) which banks were robbed or burglarized during the same period and have a statement on file indicating that security devices have not been installed.

The Reserve Banks were also asked to contact deficient banks to determine whether corrections have been made and, if not, what plans management has for making corrections. Statements filed by banks that have been robbed or burglarized are to be reviewed to determine whether the reasons cited for not installing security devices are still valid. In cases where it appears that the bank should now have additional security, contact is to be made to emphasize the need for the installation and to obtain a commitment from the bank to do so.

In conclusion, the Board stated:

"The Board is of the opinion that, except in extraordinary circumstances, a bank can no longer justify not installing security devices after it has been robbed, and that the Reserve Bank should insist on affirmative action such as the installation of the necessary number of cameras in all offices which have experienced one or more robberies."

A pilot survey of a high crime area recently conducted by the Federal supervisory authorities indicated that approximately 95 per cent of the banking offices surveyed had some form of surveillance system and alarms and that about 80 per cent of the suspects apprehended on bank robbery charges in 1971 is directly attributable to bank security devices.

Comment on the proposed revision of Appendix A to Regulation P should be submitted to the Board. The proposed revision would:

1. Distinguish between requirements for vaults and safes to eliminate confusion.
2. Make clear that safe deposit boxes must be contained in an approved vault or safe.
3. Permit use of reinforced concrete at least 12 inches thick in vault construction (the 5R specifications of the National Insurance Rating Board), a specification which provides burglary resistance equivalent to 18 inches of concrete under the original minimum standard.
4. Prohibit the use of steel in lieu of concrete for vault walls or wall liners.
5. Permit alarm companies to drill slightly larger holes in safes for inserting cables now required for some modern, improved systems.
6. Prescribe protection standards for cash dispensing machines.

A copy of the proposed revision is attached.

FEDERAL RESERVE SYSTEM

12 CFR 216

Reg. P

MINIMUM SECURITY DEVICES AND PROCEDURES FOR
FEDERAL RESERVE BANKS AND STATE MEMBER BANKS

Notice is hereby given that the Board of Governors of the Federal Reserve System proposes to revise, Appendix A, "Minimum Standards for Security Devices", of Part 216 entitled "Minimum Security Devices and Procedures for Federal Reserve Banks and State Member Banks."

As part of its responsibilities under the Bank Protection Act of 1963 (32 Stat. 294), the Board of Governors conducts a continuing review of the minimum standards for bank security devices. Based on its review, the proposed Appendix A revises and clarifies the minimum standards with which each Federal Reserve Bank and each State member bank must comply with respect to the installation, maintenance, and operation of security devices to discourage robberies, burglaries, and larcenies and to assist in the identification and apprehension of persons who commit such acts.

Among the proposed revisions are a definition of vaults as distinguished from safes, modified standards of vault construction, and protection standards for cash dispensing machines. The proposed revision also makes clear that, to meet the minimum security standards, safe deposit boxes must be stored in an approved vault or safe.

The proposed revisions would be accomplished by amending Appendix A to read as follows:

APPENDIX A
MINIMUM STANDARDS FOR SECURITY DEVICES

In order to assure realization of maximum performance capabilities, all security devices utilized by a bank should be regularly inspected, tested, and serviced by competent persons. Actuating devices for surveillance systems and robbery alarms should be operable with the least risk of detection by unauthorized persons that can be practicably achieved.

(1) Surveillance systems (i) General. Surveillance systems should be:

(A) equipped with one or more photographic, recording, monitoring, or like devices capable of reproducing images of persons in the banking office with sufficient clarity to facilitate (through photographs capable of being enlarged to produce a one-inch vertical head-size of persons whose images have been reproduced) the identification and apprehension of robbers or other suspicious persons;

(B) reasonably silent in operation; and

(C) so designed and constructed that necessary services, repairs or inspections can readily be made.

Any camera used in such a system should be capable of taking at least one picture every two seconds and, if it uses film, should contain enough unexposed film at all times to be capable of operating for not less than three minutes, and the film should be at least 16mm.

(ii) Installation and operation of surveillance systems providing surveillance of other than walk-up or drive-in teller's stations or windows. Surveillance devices for other than walk-up or drive-in teller's stations or windows should be:

(A) located so as to reproduce identifiable images of persons either leaving the banking office or in a position to transact business at each such station or window; and

(B) capable of actuation by initiating devices located at each teller's station or window.

(iii) Installation and operation of surveillance systems providing surveillance of walk-up or drive-in teller's stations or windows. Surveillance devices for walk-up or drive-in teller's stations or windows should be located in such a manner as to reproduce identifiable images of persons in a position to transact business at each such station or window and areas of such station or window that are vulnerable to robbery or larceny. Such devices should be capable of actuation by one or more initiating devices located within or in close proximity to such station or window. Such devices may be omitted in the case of a walk-up or drive-in teller's station or window in which the teller is effectively protected by a bullet-resistant barrier from persons outside the station or window. However, if the teller is vulnerable to larceny or robbery by members of the public who enter the banking office, the teller should have access to a device to actuate a surveillance system that covers the area of vulnerability or the exits to the banking office

(2) Robbery and burglary alarm systems. (i) Robbery alarm systems. A robbery alarm system should be provided for each banking office at which the police ordinarily can arrive within five minutes after an alarm is actuated; all other banking offices should be provided with appropriate devices for promptly notifying the police that a robbery has occurred or is in progress. Robbery alarm systems should be:

(A) designed to transmit to the police, either directly or through an intermediary, a signal (not detectable by unauthorized persons) indicating that a crime against the banking office has occurred or is in progress;

(B) capable of actuation by initiating devices located at each teller's station or window (except walk-up or drive-in teller's stations or windows in which the teller is effectively protected by a bullet-resistant barrier and effectively isolated from persons, other than fellow employees, inside a banking office of which such station or window may be a part);

(C) safeguarded against accidental transmission of an alarm;

(D) equipped with a visual and audible signal capable of indicating improper functioning of or tampering with the system; and

(E) equipped with an independent source of power (such as a battery) sufficient to assure continuously reliable operation of the system for at least 24 hours in the event of failure of the usual source of power.

(ii) Burglary alarm systems. A burglary alarm system should be provided for each banking office. Burglary alarm systems should be:

(A) capable of detecting promptly an attack on the outer door, walls, floor, or ceiling of each vault, and each safe not stored in a vault, in which currency, negotiable securities, or similar valuables are stored when the office is closed, and any attempt to move any such safe;

(B) designed to transmit to the police, either directly or through an intermediary, a signal indicating that any such attempt is in progress; and for banking offices at which the police ordinarily cannot arrive within five minutes after an alarm is actuated, designed to actuate a loud sounding bell or other device that is audible inside the banking office and for a distance of approximately 500 feet outside the banking office;

(C) safeguarded against accidental transmission of an alarm;

(D) equipped with a visual and audible signal capable of indicating improper functioning of or tampering with the system; and

(E) equipped with an independent source of power (such as a battery) sufficient to assure continuously reliable operation of the system for at least 80 hours in the event of failure of the usual source of power.

(3) Walk-up and drive-in teller's stations or windows. Walk-up and drive-in teller's stations or windows contracted for after February 15, 1969, should be constructed in such a manner that tellers are effectively protected by bullet-resistant barriers from robbery or larceny by persons outside such stations or windows. Such barriers should be of glass at least 1-3/16 inches in thickness,^{1/} or of material of at least equivalent bullet-resistance. Pass-through devices should be so designed and constructed as not to afford a person outside the station or window a direct line of fire at a person inside the station.

^{1/} (Footnotes appear at end of Appendix A).

(4) Vaults, safes, safe deposit boxes, night depositories, and cash dispensing machines. Vaults, safes (if not to be stored in a vault), safe deposit boxes, night depositories, and cash dispensing machines, in any of which currency, negotiable securities, or similar valuables are to be stored when banking offices are closed, should meet or exceed the standards expressed in this section.

(i) Vaults. A vault is defined as a room or compartment that is designed for the storage and safekeeping of valuables and which has a size and shape which permits entrance and movement within by one or more persons. Vaults contracted for after (effective date to be designated)^{2/} should have walls, floor, and ceiling of reinforced concrete at least 12 inches in thickness.^{3/} The vault door should be made of steel at least 3-1/2 inches in thickness, or other drill and torch resistant material, and be equipped with dual combination locks, a time lock, and a substantial lockable day-gate. Electrical conduits into the vault should not exceed 1-1/2 inches in diameter and should be offset within the walls, floor, or ceiling at least once so as not to form a direct path of entry. A vault ventilator, if provided, should be designed with consideration of safety to life without significant reduction of the strength of the vault wall to burglary attack. Alternatively, vaults should be so designed and constructed as to afford at least equivalent burglary resistance.^{4/}

(ii) Safes. Safes contracted for after February 15, 1969, should weigh at least 750 pounds empty, or be securely anchored to the premises where located. The body should consist of steel, at least 1 inch in thickness, either cast or fabricated, with an ultimate tensile strength of 50,000 pounds per square inch and be fastened in a manner equal to a continuous 1/4-inch penetration weld having an ultimate tensile strength of 50,000 pounds per square inch. The door should be made of steel that is at least 1-1/2 inches in thickness, and at least equivalent in strength to that specified for the body; and the door should be equipped with a combination lock, and with a relocking device that will effectively lock the door if the combination lock is punched. One hole not exceeding 1/2-inch diameter may be provided in the body to permit insertion of electrical conductors, but should be located so as not to permit a direct view of the door or locking mechanism. Alternatively, safes should be constructed of materials that will afford at least equivalent burglary resistance.

2/ (Footnotes appear at end of Appendix A.)

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(iii) Safe deposit boxes. Safe deposit boxes used to safeguard customer valuables should be enclosed in a vault or safe meeting at least the above-specified minimum protection standards.

(iv) Night depositories. Night depositories (excluding envelope drops not used to receive substantial amounts of currency) contracted for after February 15, 1969, should consist of a receptacle chest having cast or welded steel walls, top and bottom, at least one inch in thickness; a steel door at least 1-1/2 inches in thickness with a combination lock; and a chute, made of steel that is at least one inch in thickness, securely bolted or welded to the receptacle and to a depository entrance of strength similar to the chute. Alternatively, night depositories should be so designed and constructed as to afford at least equivalent burglary resistance.^{5/} The depository entrance should be equipped with a lock. Night depositories should be equipped with a burglar alarm and be designed to protect against the "fishing" of a deposit from the deposit receptacle, and to protect against the "trapping" of a deposit for extraction.

(v) Cash dispensing machines. Except as hereinafter provided, cash dispensing machines (including those machines which also accept deposits) contracted for after (effective date to be designated) should weigh at least 750 pounds empty, or be securely anchored to the premises where located. These machines should contain, among other features, a storage chest having cast or welded steel walls, top, and bottom, at least one inch in thickness, with a tensile strength of at least 50,000 pounds per square inch. The door should be constructed of steel at least equivalent in strength to the storage chest and be equipped with a combination lock and with a relocking device that will effectively lock the door if the combination lock is punched. The housing covering the cash dispensing opening (and, when applicable, deposit receiving opening) in the storage chest, and the housing covering the mechanism for removing the cash from the storage chest, should be so designed as to provide burglary resistance at least equivalent to the storage chest and should also be designed to protect against the "fishing" of cash from the storage chest. The cash dispensing control and delivery mechanisms (and, when applicable, cash deposit receipt mechanism) should be protected by steel, at least 1/2-inch in thickness, securely attached to the

^{5/} (Footnotes appear at end of Appendix A.)

storage chest. The cash dispensing machine should be designed so as to be protected against actuation by unauthorized persons, should be protected by a burglar alarm, and should be located in a well-lighted area. Alternatively, cash dispensing machines should be so designed and constructed as to afford at least equivalent burglary resistance.^{6/}

A cash dispensing machine which is used inside a bank's premises only during bank business hours, and which is empty of currency and coin at all other times, should at least provide safeguards against "jimmying," unauthorized opening of the storage chest door, and against actuation by unauthorized persons.

FOOTNOTES

- 1/ It should be emphasized that this thickness is merely bullet-resistant and not bulletproof.
- 2/ Vaults contracted for previous to this date should be constructed in conformance with all applicable specifications then in effect.
- 3/ The reinforced concrete should have: two grids of #5 (5/8" diameter) deformed steel bars located in horizontal and vertical rows in each direction to form grids not more than four inches on center; or two grids of expanded steel bank vault mesh placed parallel to the face of the walls, weighing at least six pounds per square foot to each grid, having a diamond pattern not more than 3" x 3"; or two grids of any other fabricated steel placed parallel to the face of the walls, weighing at least six pounds per square foot to each grid and having an open area not exceeding four inches on center. Grids are to be located not less than six inches apart and staggered in each direction. The concrete should develop an ultimate compression strength of at least 3,000 pounds per square inch.
- 4/ Equivalent burglary-resistant materials for vaults do not include the use of steel lining, either inside or outside a vault wall, in lieu of the specified reinforcement and thickness of concrete.
- 5/ Equivalent burglary-resistant materials for night depositories include the use of 1/4-inch steel plate encased in six inches or more of concrete or masonry building wall.
- 6/ Equivalent burglary-resistant materials for cash dispensing machines include the use of 3/8-inch thick 8 percent nickel stainless steel alloy in place of one inch thick steel, if other criteria are satisfied.

This notice is published pursuant to section 553 of title 5, United States Code and § 262.2(a) of the Rules of Procedures of the Board of Governors of the Federal Reserve System.

To aid in the consideration of the proposed revision by the Board, interested persons are invited to submit relevant data, views, or arguments. Any such comments or material should be submitted in writing to the Secretary, Board of Governors of the Federal Reserve System, Washington, D. C. 20551, to be received not later than 30 days from the date of publication of this notice in the Federal Register.

By order of the Board of Governors, December 11, 1972.

(Signed) Michael A. Greenspan

Michael A. Greenspan
Assistant Secretary of the Board

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