



American Revolution Bicentennial

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 75-76
June 12, 1975

BANK PROTECTION ACT

TO THE CHIEF EXECUTIVE OFFICER,
EACH STATE MEMBER BANK IN THE
ELEVENTH FEDERAL RESERVE DISTRICT:

The Federal Bureau of Investigation has reported to the Board of Governors of the Federal Reserve System the results of recently compiled Fiscal Year 1974 statistics on external crime against Federally insured and regulated financial institutions. For that period there were 2,817 robberies, 359 burglaries, and 309 larcenies for a total of 3,485 offenses. This compares with 2,600 robberies, 360 burglaries, and 212 larcenies for a total of 3,172 offenses in Fiscal Year 1973, and is the highest yearly total ever recorded. In addition, reports for the first half of Fiscal Year 1975 indicate a further large increase.

In view of these record statistics, the Justice Department, among other steps, has suggested that regulations implementing the Bank Protection Act be considerably strengthened. The Federal Reserve shares the concern of the Justice Department and believes that every reasonable effort should be made by banks to strengthen their security systems for both the purpose of deterring crime as well as assisting law enforcement officers in identifying and apprehending persons who commit such acts.

In this connection, it has been directed to the Federal Reserve's attention by the FBI, and through periodic staff reviews of the "Report of Crime" (Form P-2) submitted by each State member bank when a crime is attempted or perpetrated, that deficiencies continue to be found in bank security programs. The most common deficiencies reported are described as follows:

- 1) Cameras. Surveillance cameras are not installed in situations where the need is evident. In cases where they are installed, they frequently do not take useful pictures because of their inadequacies or poor maintenance. Identifiable photographs of robbers are of tremendous value to the FBI and the police in apprehending and convicting bank robbers.
- 2) "Bait" money. Frequently, "bait" money is not provided for each teller or the identification of the currency is not completely recorded (i.e., type of note, denomination, banks of issue, serial number, and series year). Unless all of the indicated information

is recorded, and the teller has personal knowledge of the contents, the "bait" money may have little or no value in later convicting the robbers.

- 3) Alarms. Alarms are not tested or serviced periodically. Malfunctioning during crimes has been reported on numerous occasions.
- 4) Maintenance of minimum teller cash. Nationwide statistics indicate that the average loss through bank robberies has been reduced substantially since enactment of the Bank Protection Act regulations which require banks to maintain tellers' cash at a reasonable minimum. However, reports from banks continue to be received indicating substantial losses resulting from failure of tellers to maintain a minimum volume of till cash.
- 5) Larceny. In almost all cases of larceny, the valuables stolen are reported to have been exposed and not sufficiently attended, permitting easy access for the criminal.
- 6) Training programs. Instances are reported where the existence of an appropriate and continual training program for tellers could have possibly resulted in substantial aid to law enforcement officers in apprehension and conviction of criminals.

Frequently, bank security officers who complete the "Report of Crime" suggest improvements in protection equipment that could be made to help in preventing such crimes or improvements in employee training to better their performance during future similar occurrences. It is reported in some of these instances that the bank plans no corrective action. Too often, unfortunately, it appears that the security officer does not have the full support of top management or operating personnel. In view of the increase in crimes against banks, the Federal Reserve feels strongly that the security officer designated by the Board of Directors should receive the cooperation and encouragement of top management in his efforts to improve and maintain an adequate security program.

The Federal Reserve urges you to carefully review your security program and to take steps to remedy any deficiencies, particularly in the areas cited above. In an effort to update our information on security devices presently in use, your cooperation is requested in completing the accompanying questionnaire and returning it in the enclosed envelope at your earliest convenience.

Sincerely yours,

Ernest T. Baughman

President

Enclosures (2)

RECAPITULATION OF FACTORS RELATING TO BANK CRIMES
AND TO THE IMPLEMENTATION OF THE BANK PROTECTION ACT OF 1968

Date _____

Name of Bank (or Branch)

Address

- Yes () No () 1. Do you now have robbery alarms at teller stations?
- Yes () No () 2. If you do not now have robbery alarms at teller stations, do you have any plans to install such alarms in the near future?
- Yes () No () 3. Is your vault or principal storage safe now equipped with a burglary alarm?
- Yes () No () 4. If you do not now have a burglary alarm for your vault or safe, do you have any plans to install such an alarm in the near future?
- Yes () No () 5. Do you now have surveillance cameras installed in the banking lobby?
- Yes () No () 6. If you do not now have surveillance cameras installed in the banking lobby, do you have any plans to install such cameras in the near future?
- Yes () No () 7. Do you have one or more uniformed guards (either full or part time) in the lobby during banking hours?
- Yes () No () 8. Do you have one or more uniformed guards (either full or part time) in the bank during non-banking hours?
- Yes () No () 9. Are your banking lobby tellers protected by bullet resistant construction and materials?
- _____ 10. Give number of robberies occurring during the past 24 months.
- _____ 11. Give number of burglaries occurring during the past 24 months.

(Signed) _____