

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 81-241
December 23, 1981

AMENDMENT TO REGULATION P

Report of Crime

TO ALL STATE MEMBER BANKS
AND OTHERS CONCERNED IN THE
ELEVENTH FEDERAL RESERVE DISTRICT:

The Board of Governors of the Federal Reserve System has amended, effective October 6, 1981, its Regulation P, "Minimum Security Devices and Procedures for Federal Reserve Banks and State Member Banks", to eliminate the External Crime Reports required under regulations implementing the Bank Protection Act.

Enclosed is a copy of the amendment in slip-sheet form which should be filed in Vol. II of your Regulations Binders. For your regulation to be complete as amended October 6, 1981, you should retain the Regulation Pamphlet dated January 13, 1969, this slip-sheet and destroy slip-sheet dated March 1981.

If you have questions regarding this amendment, please contact Helen Calvert of the Bank Supervision and Regulations Department, Extension 6663.

Additional copies of the circular and amendment will be furnished upon request to the Department of Communications, Financial and Community Affairs of this Bank, Extension 6289.

Sincerely yours,



William H. Wallace
First Vice President

Enclosure

Banks and others are encouraged to use the following incoming WATS numbers in contacting this Bank: 1-800-442-7140 (intrastate) and 1-800-527-9200 (interstate). For calls placed locally, please use 651 plus the extension referred to above.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

MINIMUM SECURITY DEVICES AND PROCEDURES

FOR FEDERAL RESERVE BANKS AND STATE MEMBER BANKS

AMENDMENTS TO REGULATION P†

As amended effective October 6, 1981

Effective March 10, 1981, Section 216.3(c) is amended as set forth below:

SECTION 216.3—SECURITY DEVICES

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(c) **Implementation.** It is appropriate for banking offices in areas with a high incidence of crime to install many devices which would not be practicable because of costs for small banking offices in areas substantially free of crimes against financial institutions. Each bank shall consider the appropriateness of installing, maintaining, and operating security devices which are expected to give a general level of bank protection at least equivalent to the standards described in Appendix A of this Part, as amended. In any case in which (on the basis of the factors listed in paragraph (b) or similar ones, the use of other measures, or the decision that technological change allows the use of other measures judged to give equivalent protection) it is decided not to install, maintain, and operate devices at least equivalent to these standards, the bank shall preserve in its records a statement of the reasons for such decision.

Effective March 10, 1981, Section 216.4(a) is amended to read as follows:

SECTION 216.4—SECURITY PROCEDURES

(a) **Development and administration.** On or before July 15, 1969 (or within thirty days after a State bank becomes a member of the Federal Reserve System, whichever is later), each State member bank shall develop and provide for the administration of a security program to protect each of its banking offices from robberies, burglaries, and larcenies and to

assist in the identification and apprehension of persons who commit such acts. This security program shall be reduced to writing, approved by the bank's board of directors, and retained by the bank in such form as will readily permit determination of its adequacy and effectiveness.

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Effective March 10, 1981, Section 216.5 is amended by removing paragraph (b), redesignating paragraph (c) as paragraph (b), and redesignating paragraph (d) as paragraph (c); and effective October 6, 1981, paragraph (b) was revised to read as follows:

SECTION 216.5—FILING OF REPORTS

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(b) **Records of external crime.** After a robbery, burglary or nonemployee larceny is committed or attempted at a banking office of a State member bank, the bank shall keep a record of the incident at its main office. The record may be a copy of a police, insurance or similar report of the incident. Alternatively, the bank may wish to develop its own record indicating the office at which the incident occurred, the type of crime, when the crime occurred and the amount of any loss; whether operational or mechanical deficiencies might have contributed to the crime; and what has been or will be done to correct any deficiencies.

(c) **Special reports.** Each State member bank shall file such other reports as the Board may require.

Effective November 1, 1973, Appendix A of Regulation P is amended to read as follows:

† For this Regulation to be complete as amended October 6, 1981 retain:

1) Regulation Pamphlet dated January 13, 1969.
2) This slip sheet. (Destroy slip sheet dated March 1981).

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 2 seconds and, if it uses film, should contain enough unexposed film at all times to be capable of operating for not less than 3 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 5 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 5 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 $1\frac{3}{16}$ 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.

(4) **Vaults, safes, safe deposit boxes, night depositories, and automated paying or receiving machines.** Vaults, safes (if not to be stored in a vault), safe deposit boxes, night depositories, and automated paying or receiving 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. Other asset storage units which do not meet this definition of a vault will be considered as safes. Vaults contracted for after November 1, 1973,² 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

$3\frac{1}{2}$ inches in thickness, or other drill and torch resistant material, and be equipped with a dial combination lock, a time lock, and a substantial lockable daygate. Electrical conduits into the vault should not exceed $1\frac{1}{2}$ 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 $\frac{1}{4}$ 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 $1\frac{1}{2}$ 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, or time lock, and with a relocking device that will effectively lock the door if the combination lock or time lock is punched. One hole not exceeding $\frac{1}{2}$ 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.

(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 1 inch in thickness; a steel door at least $1\frac{1}{2}$ inches in thickness, with a combination lock; and a chute, made of steel that is at least 1

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 ($\frac{3}{8}$ " diameter) deformed steel bars located in horizontal and vertical rows in each direction to form grids not more than 4 inches on center; or two grids of expanded steel bank vault mesh placed parallel to the face of the walls, weighing at least 6 pounds per square foot to each grid, having a diamond pattern not more than $3" \times 8"$; or two grids of any other fabricated steel placed parallel to the face of the walls, weighing at least 6 pounds per square foot to each grid and having an open area not ex-

ceeding 4 inches on center. Grids are to be located not less than 6 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 a steel lining, either inside or outside a vault wall, in lieu of the specified reinforcement and thickness of concrete. Nonetheless, there may be instances, particularly where the construction of a vault of the specified reinforcement and thickness of concrete would require substantial structural modification of an existing building, where compliance with the specified standards would be unreasonable in cost. In those instances, the bank should comply with the procedure set forth in section 216.3(c) of Regulation P.

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 Each depository entrance (other than an envelope drop slot) should be equipped with a lock. Night depositories should be equipped with a burglary 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) **Automated paying or receiving machines.** Except as hereinafter provided, cash dispensing machines (automated paying machines), including those machines which also accept deposits (automated receiving machines) contracted for after November 1, 1973, should weigh at least 750 pounds empty, or be securely anchored to the premises where located. Cash dispensing machines should contain, among other features, a storage chest having cast or welded steel walls, top, and bottom, at least 1 inch in thickness, with a tensile strength of at least 50,000 pounds per square inch. Any doors 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 in the storage chest and the housing covering the mechanism for removing the case from the storage chest, should be so de-

⁵ Equivalent burglary-resistant materials for night depositories include the use of one-fourth inch steel plate encased in 6 inches or more of concrete or masonry building wall.

signed 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 delivering mechanism (and, when applicable, cash deposit receipt mechanism) should be protected by steel, at least 1/2 inch in thickness, securely attached to the storage chest. A cash dispensing machine which also receives deposits should have a receptacle chest having the same burglary resistant characteristics as that of a cash dispensing storage chest and should be designed to protect against the fishing and trapping of deposits. Necessary ventilation for the automated machines should be designed so as to avoid significantly reducing the burglary resistance of the machines. The cash dispensing machine should also be designed so as to be protected against actuation by unauthorized persons, should be protected by a burglary 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.

⁶ Equivalent burglary-resistant materials for cash dispensing machines include the use of 3/8 inch thick nickel stainless steel meeting American Society of Testing Materials (ASTM) Designation A 167-70, Type 304, in place of 1 inch thick steel, if other criteria are satisfied.