

FEDERAL RESERVE BANK
OF NEW YORK

July 1, 1975

BANK SECURITY PROGRAMS

To the Chief Executive Officer of Each State Member
Bank in the Second 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 the purposes of deterring crime and of 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.

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.

(Over)

3) Alarms. Alarms are not tested or serviced periodically. Malfunctioning during crimes has been reported on numerous occasions.

4) Maintenance of teller cash at minimum level. Nationwide statistics indicate that the average loss through bank robberies has been reduced substantially since enactment of the Bank Protection Act regulations (Regulation P), which require banks to maintain tellers' cash at a reasonably minimum level. However, reports from banks continue to be received indicating substantial losses resulting from tellers maintaining more till cash than necessary.

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, despite the suggestions of the security officer, the bank planned 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.

We urge you to review carefully your security program and to take steps to remedy any deficiencies, particularly in the areas cited above. In an effort to update information on security devices presently in use, the Board of Governors has requested your cooperation in completing the accompanying questionnaire and returning it to our Bank Regulations Department at your earliest convenience. Please be assured that this information will be treated in a strictly confidential manner as is the case with all material filed pursuant to the provisions of Regulation P.

All responses and any inquiries you may have regarding this matter should be directed to James P. Barry of our Bank Regulations Department.

ALFRED HAYES,
President.

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

Date _____

Name of Bank:

Address of Main Office:

Total No. of Banking Offices:
(Including Main Office)

INSTRUCTIONS

The requested information should be supplied for all banking operations; that is, your main office plus all branch offices. For questions 1 through 9, "Yes" and "No" answers for the appropriate number of your bank's offices should be filled in on this form. For example, assuming a member bank has 20 offices in total, 15 with surveillance cameras installed in the banking lobby and 5 without such devices, the appropriate answer to question 5 would be, "Yes (15), No (5)". For questions 1, 3, 5, 7, 8, and 9, please list those banking offices included in the "No" category on a separate page. For questions 10 and 11, the total number of robberies and burglaries that have occurred at all banking offices during the period specified should be listed on this form. We would also appreciate a breakdown by office of such occurrences, on a separate page.

Upon completion, this form should be signed by your Chief Executive Officer and security officer designated under Regulation P, and returned to the Bank Regulations Department of this Bank.

- 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) _____
Chief Executive Officer

Designated Security Officer