

DOES Your ATM Security Check Out?

A FACILITIES PLANNING
CONSULTANT SHARES
HIS ATM SAFETY CHECKLIST.

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When ATMs were first installed in the '70s, few financial institutions or their customers were concerned about security. But over the past 14 years, there has been a dramatic increase in ATM crime. The results are ever-increasing losses, physical risks to customers and the burden of liability on credit unions.

While ATM security is a complicated issue, it can be simplified and managed by establishing a security officer who reports directly to the board of directors on development and implementation of ATM security practices, and on-going monitoring.

Currently, the best source for ATM security information is the Bank Administration Institute's *ATM Security Handbook*, 2nd edition. This 270-page manual covers in detail ATMs and how they work, networks, ATM-related crime, risk assessment and site selection, operations, safeguarding customers, ATM data, protecting against ATM fraud, security for service teams, camera systems, liability and the Electronic Funds Transfer Act

and Regulation E. This manual should be on every ATM provider's shelf.

The following checklists are derived from the handbook's chapter by Stephen G. Ward on "Risk Assessment and Site Selection," as well as from my work installing hundreds of ATMs.

SITE SELECTION

- ✓ Do police crime statistics indicate that this is a safe geographic location for an ATM?
- ✓ Can the ATM location be monitored by credit union staff?
- ✓ Is the location clearly visible from the street?
- ✓ Does the neighborhood appear safe, or are there alleys, vacant buildings or problem taverns close by?

- ✓ How far is the location from the nearest police station?
- ✓ How often do police patrols pass by this location?
- ✓ Can good lighting be provided over the location?
- ✓ Will service personnel be safe when working on the equipment?
- ✓ Can customers park close to the ATM?
- ✓ Are there any obstructions, such as columns or bushes, that could provide a hiding place or block visibility?
- ✓ How will the ATM be charged with currency and will this be a safe operation?
- ✓ Would you use this ATM any time of day or night?

PHYSICAL SECURITY

- ✓ Does the ATM comply with Appendix A (November 1973) to Regulation P of the Bank Protection Act and the UL

Standards for Safety at Automated Teller Systems, revised edition 1977, as well as national and state legislation that directs minimum security standards for automated teller machines?

- ✓ Is the ATM solidly installed so that it cannot be ripped from the wall for removal and dismantling in another location?
- ✓ Is the entrance to the service area visible at all times?
- ✓ Is the service door constructed of steel and fitted with non-removable hinge pins and a 180° peephole?
- ✓ Is camera coverage provided outside the entry and inside the service area?
- ✓ Is there a telephone in the service area?
- ✓ Is there an alarm button for service personnel in the service area?
- ✓ If the service area is adjacent to a branch lobby, is an alarm annunciator light included in the service area to warn personnel of a robbery in progress?
- ✓ Are fire alarms and intrusion alarms such as door contacts and infrared devices, included?
- ✓ Is the lockset of a solid commercial type that cannot be easily jimmed?
- ✓ Is a deadbolt provided on the interior for the service personnel?
- ✓ Are the entry keys and ATM box and combinations tightly controlled?
- ✓ Is the unloading area for service personnel close to the service entrance and visible at all times?
- ✓ If additional cash is stored in the service area, is it held within a rated safe?
- ✓ Are the ATM and cash safe fitted with the appropriate alarm devices?

CUSTOMER SAFETY

- ✓ Is the ATM located in a safe neighborhood?
- ✓ Are there operating hours when the neighborhood is less safe and ATM service should not be provided?
- ✓ Is the ATM area serviced regularly to ensure that all lighting is maintained progressive vandalism has not occurred bushes and trees are trimmed at sight lines no higher than 6'6" or no lower

than 18" and no other physical changes have occurred to the environment?

- ✓ Is the ATM and its pathway well lit?
- ✓ Is parking for members or other users as close as possible to the ATM?
- ✓ Do surrounding businesses or the general neighborhood environment cause security concerns?
- ✓ Does a video camera focus on the member and the surrounding area?
- ✓ Is a 911 alarm button included on or near the ATM?
- ✓ Is a tamper-proof waste receptacle provided?
- ✓ Are highly visible surveillance cameras provided in areas adjacent to the ATM?
- ✓ If the ATM is in an enclosure with outer doors, is access controlled by valid credit card and the entry recorded?
- ✓ Is visibility clear into the ATM enclosure and is the glass clear?
- ✓ If the ATM is a drive-up, are there areas nearby where a criminal could hide, such as around the corner of a building, or behind the kiosk or shrubs?

✓ Have mirrors been installed to help members see who might be around corners or in adjacent spaces? Has a mirror or reflective surface been placed on the ATM so members can view the activities of individuals standing behind them?

✓ Have you informed your members of standard safety procedures they should use when conducting transactions at any ATM?

✓ Have response procedures been reviewed with the police department to ensure that robbery situations are not turned into hostage situations?

In addition to completing the checklist for each ATM installation, an experienced security professional should review each ATM site.

SERVICE PERSONNEL SAFETY

- ✓ Have service personnel been fully trained?
- ✓ Are schedules and routes changed every day?
- ✓ How are service calls verified?
- ✓ Do personnel notify their manager at the beginning and end of service calls?
- ✓ Do service personnel have emergency numbers memorized?
- ✓ Do service personnel

understand how to avoid robbery situations, how to act during a robbery and the procedures after a robbery?

- ✓ Are service and maintenance performed by at least two people?
- ✓ If an ATM is remote from the branch, such as a third lane kiosk, how are employees protected as they deliver the charged cassettes from the branch to the kiosk?
- ✓ Is the service area air conditioned to ensure proper ATM operation?
- ✓ Have dual control procedures been implemented?
- ✓ How are currency cassettes delivered and charged and is security provided?
- ✓ Are armored delivery services used?
- ✓ Are procedures and monitoring in place to protect against vendor fraud?
- ✓ Have service personnel been identified by photograph and signature?
- ✓ Are service personnel rotated to provide observation windows?
- ✓ Are cash shortages investigated?
- ✓ Is currency mix use monitored regularly to minimize deliveries and recharging? For example, are \$5, \$10 or \$20 bills requested most often?

In addition to completing the above checklist for each ATM installation, an experienced security professional should review each ATM site. While the checklists are fairly complete, each site presents a unique set of security issues.

As ATMs continue to pop up on seemingly every corner, credit unions must meet increased demand for security and liability. Development of standard operating procedures, careful site selection, proper design and diligent monitoring will maximize this risk management effort. After all, taking care of their members is what credit unions do best. ■

The ATM Dictionary

Network • GOLDLINK 257

Network Service Provider: Organization that authorizes ATM transactions by comparing the requested transaction amount against the ATM cardholder's account balance.

Positive Balance File: A data file containing ATM cardholder balances that is electronically sent to a Network Service Provider so that ATM transactions can be authorized.

GOLDLINK: A positive balance file manager that extracts ATM cardholder balances from a financial institution's host system and transmits those balances, in a Positive Balance File, to the Network Service Provider. See also *Easy-to-Use, Cost-Effective*.

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