



ATM SECURITY

When an ATM is located in a somewhat remote location, you might naturally be concerned about the security of the machine and its contents. The lack of vehicular and foot traffic, poor lighting in the neighborhood surrounding the ATM and other factors are justifiable causes for concern. When a machine is located in an office building or hospital, etc., you may not be as concerned about security. Your comfort level for ATM's located inside such buildings may not be warranted.

BancInsure recently paid a claim for the cash in an ATM stolen from a hospital. BancInsure did not insure the machine itself. The bank first became aware of the loss of the ATM when two of the bank's tellers came to the hospital to balance the machine and it was not there. Being alarmed and not sure what to do, they returned to the Bank to report the machine was not there. The disappearance was reported to the Sheriff's Department. The Sheriff's Department assigned an investigator.

The machine had been located on the main floor of the hospital near the front entrance. The hospital had security guards and security cameras. The security tape revealed that early the previous morning two men dressed in gray work uniforms came into the hospital, disconnected the machine, loaded it on a large dolly and removed the machine from the building. The security guards are not visible on the security tape. The machine was not alarmed so to alert the Bank or the processor that it had been removed. Hospital employees thought that the bank had simply removed the ATM.

The culprits, machine and money have not been located. The machine dispensed only ten-dollar bills. The bank notified local merchants to be on the watch for large or unusual transactions carried out in ten-dollar denominations. One merchant reported that he had experienced one. This information was passed on to the Sheriff's Department.

BancInsure paid the claim in the amount of approximately \$9,000.

Even though an ATM is in what appears to be a "secure" location, bank management should consider whether or not an alarm feature to alert the bank or the processing center that the machine has been disconnected is warranted. Although building management and the security provider may not have a legal or contractual duty to the bank, it is advisable to develop a close working relationship with the building management and/or security provider where the ATM is located.

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