

# ATM/After-Hours Depository Security Programs: A Security Director's Perspective

Presented By:

# GMR<sup>®</sup>



A Facilities  
Inspection  
and  
Information  
Services  
Company



## **ATM/After Hours Depository Security Program: A Security Director's Perspective**

This perspective addresses the effectiveness of established, corporate-wide policies, standards and guidelines associated with an ATM/After Hours Depository security program. Specific focus is given to an inspection process (site surveys) designed to help ensure compliance with the program.

For many years this client has had in effect a comprehensive program of established, proven policies and standards regarding ATM and After Hours Depository security (program). Elements of security policies and standards include:

- Lighting and landscaping
- Knowledge of factors that affect foreseeable risks
- Documentation of state and local jurisdictional codes/ordinances and industry standards affecting installations
- Maintenance schedule to ensure proper functioning of lighting and control of landscaping
- Inspection process (documented regular periodic night-time drive-by inspections, annual site surveys and follow-up) to help ensure compliance with policies, standards and guidelines
- Site selection
- Life safety requirements
- Architectural treatments affecting safety of customers and servicing providers (use of mirrors, placement of ATM/After Hours Depository relative to corners of buildings, design aspects affording concealment of potential criminals)
- Access controls
- Provisions for securing equipment (electrical, telephone/data connections, alarm control panels and CCTV)
- Choice of and placement of security equipment

Since inception this proven, established program has resulted in added value to this client. Benefits include a significant reduction in incidents of crime, enhanced customer safety and satisfaction, enhanced protection of the company brand, enhanced security for vendors and service providers and, significantly, an extreme reduction in exposure to liability for this client.




One of the most significant, value-added benefits experienced by this client is the dramatic reduction in settlement costs following crimes perpetrated against client customers at ATMs and After Hours Depositories.

Prior to inception of the program, the average settlement to victimized customers was \$1.9 million. Subsequent to program implementation, the average settlement had decreased to an average of \$3 thousand. Attorneys representing this client in negligent security lawsuits have gained such confidence in the credibility of the program that they no longer routinely “settle out of court”.

To illustrate this dramatic turnaround, two recent lawsuits serve as examples. One occurred in the mid-Atlantic, and another occurred on the West coast. Each lawsuit presented an exposure of liability exceeding \$9 million. In each case this client was awarded a summary judgment exonerating them of any liability. The deciding factor in these two examples, and, indeed, in the reduction of average settlement costs, is the established, corporate-wide ATM/After Hours Depository security program.

Under-girding the success of these two examples and the ongoing effectiveness of the program is the governance process. The Corporate Security Department of this client provides leadership to a team charged with the responsibility to deliver the program. Team participants, led by Corporate Security, include the Legal Department, Corporate Real Estate, Fee Partners, Retail Banking, Supply Chain Management, Corporate Insurance and the ATM Group.

The team soon recognized the need for, and subsequently established, perhaps the most essential element of the program, the corporate-wide inspection process (site surveys). Without an inspection process, program compliance would become inconsistent and extremely difficult to enforce. Credibility of the program would thus be at risk potentially leading to an increase in losses due to higher settlement costs, a decrease in customer safety, customer satisfaction and negative exposure to the company brand



To help ensure consistency and effectiveness of the program inspection process, this client implemented the following guidelines:

- The inspection process represents one part of the overall ATM security program.
- Standards are formulated and maintained by Corporate Security with direct input from team participants.
- This client employs a single vendor (vendor) to provide the corporate-wide inspection process.
- The vendor establishes a single contract with each Fee Partner (where more than one Fee Partner exists) and does not include multiple or regional contracts for each Fee Partner. The business requirements for each contract are to be identical.
- The Corporate Security Department has direct interaction with the vendor and has direct access to vendor databases and site drawings.
- Corporate Security directs the vendor to perform “special”, incident driven surveys when necessary.
- Corporate Security maintains an open dialogue with Corporate Real Estate and the Fee Partners regarding the ATM inspection process.
- Vendor databases are not proprietary to the Fee Partners.

As with the overall program, the inspection process has resulted in added value and benefit to the client. Some of the benefits are specific to the inspection process and others overlap with benefits identified with the overall program.

Examples of added value and benefit include:

- Consistency in program compliance
- A safer environment
- Enhanced customer satisfaction
- Preservation of program credibility
- Reduced exposure to liability and potential losses
- Enhanced protection of company brand
- Database consistency (ATM locations, incidents, maintenance and compliance history)
- Consistency in incident response
- Enhanced management of projects and issues resolution
- Enhanced savings through economies of scale (single vendor for inspection process, lighting, landscaping, billing/payment processes and construction/capital planning)
- Enhanced communications and relationships among business partners
- Provides for consistency in response to media inquiries
- Enhanced consistency in communication with property owners



This perspective clearly illustrates the value-added nature and the many benefits realized by this client financial institution in providing for a total ATM/After Hours Depository security program. The perspective further illustrates the effectiveness and the importance of the governance process, which, for this client, is an embedded element of the overall program.

Specifically, inclusion of and governance of an inspection process is particularly essential to the effectiveness and credibility of the overall program. Absent the inspection process, the overall program would be difficult, if not impossible to enforce, and the illustrated benefits would be in jeopardy.

**GMR has experience in assisting members of the financial community with the creation and implementation of these programs. As the industry leader in ATM lighting compliance inspections, GMR has developed a proven methodology to help financial institutions address customer safety, comply with state regulations, meet industry best practices, and minimize risk. Discover how our programs can help you by calling 972-772-1259 or visiting us at [www.gmr1.com](http://www.gmr1.com).**