

A convenient channel for everyone...including criminals and fraudsters

Automated Teller Machines (ATM) and Interactive Teller Machines (ITM) are part of your members' digital culture and are a big part of the branch of the Future. ATMs offer a significant convenience with direct access to cash transactions for both members and non-members alike; however, can also introduce an element of risk.

When providing ATM access to your membership and other consumers, credit unions must consider many factors:

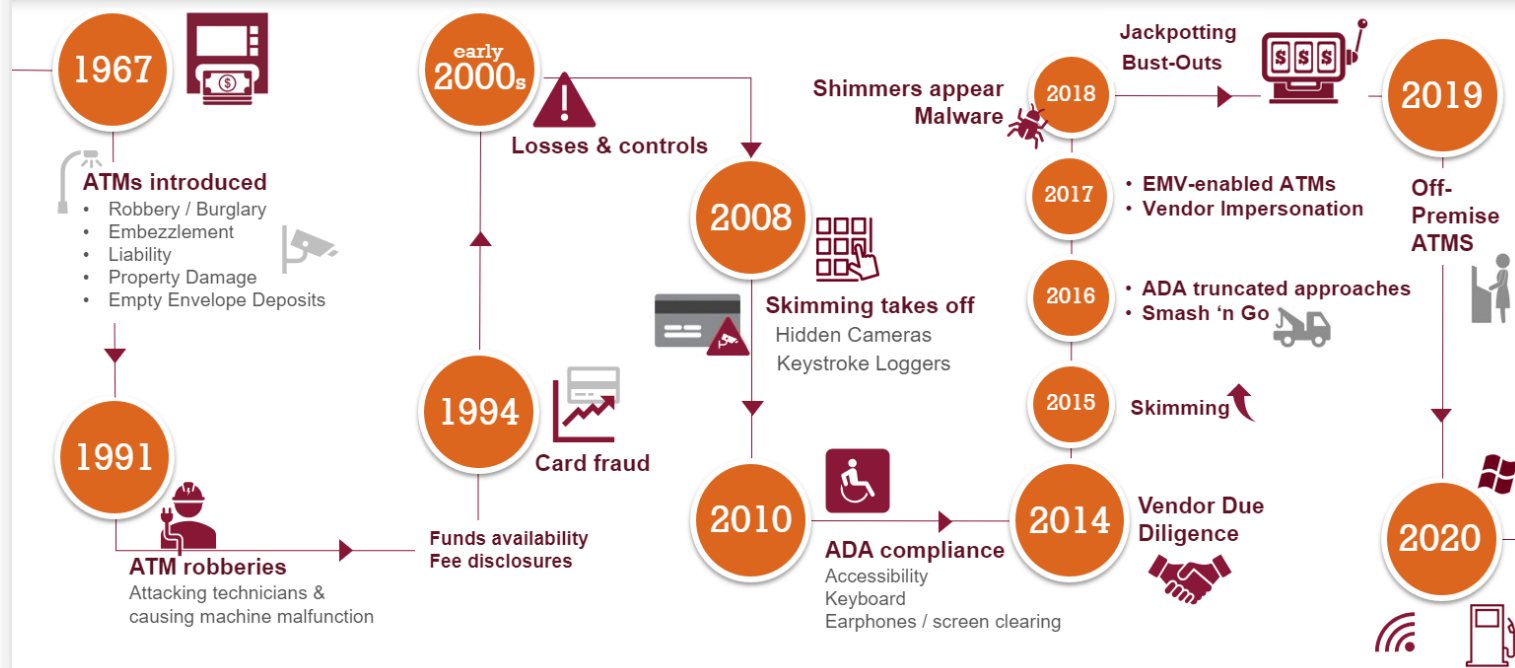
- Cost
- Anticipated use
- Site selection
- Vendor selection and agreements
- Cash transportation and storage
- Physical protection
- Compliance standards
- Potential liability & consumer safety
- Fraud and malware



From a risk perspective, the functionality of an ATM has evolved over time; yet, ATMs remain prime targets for criminals and fraudsters looking to score quick cash. And, with more than half million ATMs estimated nationwide, there are ample targets. Just look at how ATM risk has evolved.

New attacks, largely physical in nature, have been migrating to the United States from overseas. "Credit unions need to be aware of these attacks—from jackpotting and bust-outs to the physical theft of entire machines—and implement solutions to mitigate these risks, suggests CUNA Mutual Group Risk Consultant, Michael Petrone. The ATM is a convenient channel for everyone, he adds, including criminals and fraudsters."

The evolution of ATM risk...



ATM Safeguards

Selecting an ATM Location

When selecting an ATM location, always confirm that the proposed ATM location complies with any Federal, State, or local laws regarding lighting, cameras, sight lines, ADA compliance, panic buttons, etc. Additionally, research criminal statistics for the proposed location. This type of data is obtainable from your local law enforcement agencies, www.city-data.com or through other outlets.

Security Questions to Consider When Selecting a Location:

- Ability to have adequate surveillance camera to view the surrounding area of the ATM?
- Ability to monitor ATM – by camera or employees - during business and after business hours?
- Will the ATM be equipped with a panic button?
- Will consumer awareness (security) mirrors be installed?
- Is landscape (e.g. retaining walls, shrubs, trees) maintained on a regular basis to avoid possible hiding areas?
- Is lighting clear of obstruction (e.g. trees block light fixtures)?
- Is the ATM visible from the street?
- Is parking located near the ATM? Is the parking area free from obstructions?
- Does the traffic flow permit easy access both to and from the ATM?
- Will consumers approach the ATM by walking across the drive-thru or parking traffic?

Physical Security

While demand for easy access to members' money increases, so does the exposure to burglary. The physical security of ATMs is taking on increased importance as thieves become more brazen in their attempts to steal cash or, in most cases, the entire machine. Burglars are breaking into ATM kiosks, stand-alone and off-premise ATMs. Off-premise locations are typically targeted more frequently as they do not provide the same security features as ATMs located within your branch locations.

Losses connected to ATMs being dragged out of convenience stores, gas stations and stand-alone locations are common. The term "smash and grab" is now used to describe the act of using a vehicle in order to steal a machine, often by driving through a storefront window.

Approaches to access the ATM cash contents often include cutting the fiber optic line and dismantling the cellular alarm antennas; and then:

- Using high-powered cutting and grinding tools;
- Carting away ATMs using two-wheel dollies;
- Pulling ATMs from their location using vehicles; and
- Smashing ATMs with heavy equipment



ATM Safeguards

ATM Security

- ☑ Secure stand-alone ATMs to the floor and walls to prevent the machine from being rocked from its foundation. There are several methods to anchor ATMs.
- ☑ Properly secure the ATM cabinet from forced entry and have it alarmed. In addition to having the ATM connected into your alarm system; consider an audio and/or strobe/flashing light to minimize burglary risk. The audio alarm and strobe/flashing light will bring
- ☑ Install locator devices. There are several technologies available including: GPS (satellite), GSM (cellular) and RF (radio frequency).
- ☑ Place bollards or concrete barriers around the ATM to protect against “smash and grab” burglaries.
- ☑ Install a mercury switch which detects lifting or tilting of the machine.
- ☑ Simple public awareness campaigns – stickers or ATM screensavers - that explain “our ATMs are protected” are an inexpensive and effective form of deterrent. Ink staining protects valuables against unauthorized access to its contents by rendering it unusable by marking all the cash as stolen by the degradation agent when an attempted attack on the system is detected.
- ☑ Use deterrents, such as ink staining and/or GlueFusion, that protects cash contents against unauthorized access and renders it unusable.

ATM Alarm / Vault

- ☑ ATMs should provide a burglary resistive unit which is constructed in accordance with Underwriters Laboratories Inc., TL-15 specifications or regulation UL 291 Level I rating for 24 hours use, CEN L, CEN I, CEN II, CEN III and CEN IV.

The burglary resistive unit of the ATM is the first line of defense against forced entry; however, this physical protection may not provide adequate degree of protection.

- ☑ Based upon dollar exposure, electronic alarm protection should be provided. All off-premise ATMs should be electronically protected.
- ☑ Install these alarm components on the burglary resistive chest:
 - Door contact, heat sensor & sound detector, vibration sensor, or seismic detector.
 - Low-grade or high-grade line security
 - Audio alarm (sirens) and strobe lights
 - At least 48 hours of standby power
- ☑ Use area / perimeter protection, such as door contacts, motion detectors, and cameras within the safe area of the ATM kiosk.

ATM Vestibule / ATM Free-Standing Building

Providing a safe and secure environment for members to perform ATM transactions after hours can be a challenge. Members often have a false sense of security while they are using an ATM vestibule. Consider these security features for ATM vestibules:

- Card mag stripe on door for unlocking
- Cameras
- Emergency phone / button
- Video analytics
- Audio analytics
- Security Mirrors
- Safe Lighting
- Clear site line into vestibule



ATM Safeguards

Currency Transportation

The transportation of currency always represents a risk, especially in higher-crime areas. If credit union management determines the transportation of funds by staff is the only feasible option, the amount of currency transported should not exceed these guidelines:

- One or more employees = \$50,000 maximum
- One employee and an armed guard = \$100,000 maximum
- Armored car = amounts greater than \$100,000

Credit union procedures should also include security guidelines for transporting currency:

- Avoid well-established, set patterns or routines
- Vary the time of transportation from day-to-day
- Vary the route traveled to/from when possible
- Vary the vehicle used to transport funds
- Do not make any additional stops when transporting currency
- Do not display bank moneybags or other containers that indicate the presence of cash

Armored Card Service

If available, consider an armored car service for currency deliveries, deposits and servicing ATMs. Insurance is typically available through the courier to cover robbery losses while the currency is transported. The amount of insurance should cover the maximum amount of cash being transported.

Although much of the robbery risk is transferred to the armored car courier, credit union staff should identify courier personnel before relinquishing any currency / deposits and lock delivered currency securely in a safe / vault before in the presence of courier personnel.

It is important to have a copy of the formal signed contract with your armored car service. Your contract should include but not be limited to:

- Outline the responsibilities and duties of all parties involved
- Specify all confidentiality requirements
- Contain an emergency plan for backup deliveries and/or resumption of service
- Limit of liability amounts for all currency shipments

Encourage employees, armored car service and service technicians to exercise extreme caution when servicing and/or accessing ATMs. Also, recommend employees, armored car service, and service technicians to vary routes and routines to avoid surveillance and tracking by criminals.



ATM Safeguards

Mobile ATMs

Mobile ATMs are designed to be moved from temporary location to temporary location – usually not served by a credit union branch. Trade shows, festivals, charity events, sporting events, and credit union-sponsored events are some examples of where these mobile units are typically utilized.

If you choose to purchase, lease, or use a mobile ATM, the credit union should:

- Develop written policies, procedures, and checklists pertaining to deployment of the mobile ATM
- Address where the unit will be utilized and for how long
- Determine where will the unit be left overnight and if there will be 24-hour security
- Control how much cash will be stored within the ATM
- Understand when, who, and how the ATM will be replenished.
- Determine if the ATM and its location meets compliance requirements with the Americans with Disability Act.
- Equip the ATM and/or location with security options such as a GPS tracking device, camera system, and trailer security (e.g., hitch secured/hidden when not in use, hydraulic lower/lift functions with locking
- Contact your insurance carrier to determine any coverage implications or additional insurance requirements

Summary

The use of ATMs and ITMs is increasing as is the opportunity to commit crimes against these machines and their users. It is imperative that the credit unions exercise prudent judgement in selecting ATM/ITM equipment, location, and security that will provide the greatest degree of protection.

Beyond the safeguards within this resource, your credit union should consider:

- Using an [ATM Inspection Checklist](#) to aid your efforts in managing risks associated with security, compliance, tampering, and fraud attempts.
- Reviewing [Currency & Vault Specifications / Storage & Transportation Guidelines](#).
- Sharing [ATM Safety Tips and Precautions](#) with your members.



Risk & Compliance Solutions • 800.637.2676 • riskconsultant@cunamutual.com

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800.637.2676 | cunamutual.com

P.O. Box 391 | 5910 Mineral Point Road

Madison, WI 53701-0391

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