

## Bank Robberies On the Rise

by Gary M. Stern

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After notorious bank robber Willie Sutton was released from prison, he filmed a commercial in 1970 for a Connecticut bank, touting the bank's new photo credit card, a security measure. Now three decades later, at a time when everybody else -- from airports to government agencies to office buildings - are emphasizing their metal detectors and scanners and beefed-up security personnel, banks seem to be taking the opposite tack: They apparently prefer to be seen as friendly rather than secure.

Is it a coincidence that, almost as soon as Commerce Bank opened 17 branches in New York City, 16 of them were robbed?

Commerce Bank has the distinction of being the most targeted bank for robberies in New York this year. But it is probably unfair to single it out for criticism. It is certainly not alone. Bank robberies have more than doubled in the city this year so far, compared to 1999. By the beginning of September, there were 312; in all of 1999 there were just 141.

Police Commissioner Raymond Kelly has blamed the surge of robberies in New York banks on their lax security, and security experts agree. Tom Reppetto, president of the Citizens Crime Commission of New York City, says that many banks have cut down on the number of armed guards and do not have such standard security equipment as bullet-resistant barriers, closed circuit television, and "dye packs" - stacks of cash that explode with an ineradicable dye minutes after the robber leaves. Diana L. Taylor, the New York State Banking superintendent, has complained that many banks tell their employees to acquiesce to the robber's request. "This posture sends a clear message to the criminal that the institution is an easy and convenient mark for robbery," she wrote. And Robert McCrie, professor of security management at the John Jay College of Criminal Justice, after analyzing the police department's latest bank robbery statistics, concluded: "Senior management in banking firms is blocking the imposition of needed controls. They are resisting approving security measures that could make a difference."

### Why Would New York Banks Be So Casual?

First, it is important to point out that few bank robberies in New York bear any resemblance to "Dog Day Afternoon" or "Bonnie and Clyde." The majority are committed without an actual weapon, just a note, and result in payoffs under \$2,000. Most bank robbers nationwide, according to security consultant John Kennish, "do not case the bank prior to the attack, wear any kind of disguise to hide their identity, or have a post-attack plan in place prior to the

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attack." Violence is rare, though it does occur: In the course of 7,127 bank robberies committed nationwide in 2000-2001, according to the Federal Bureau of Investigation, eight people were killed.

This may help explain why, in an interview with Crain's New York Business, Vernon Hill, the chief executive officer of Commerce Bank, which is based in Cherry Hill, New Jersey, could apply a cost-benefit analysis to such security measures as bullet-resistant partitions: "If we get 11 million customer visits and if we get robbed five to six times during the same period," he said, "am I going to design branches for the 11 million, or for the five to six robberies?"

Cost-consciousness is part of the equation. So is an apparent fatalism. The New York State Bankers Association says it encourages its members to implement what are called Best Practices strategies including dye packs and bullet-resistant barriers to reduce crime, but the association's general counsel Roberta Kotkin sounds less than confident about the efficacy of such a measure: "A study showed that 89 percent of banks that have bullet-resistant barriers were robbed," she says. Then why is it considered a best practice? "It's a deterrent," she replies, but no fail-safe antidote to robbery. "We have the best interests of our customer in mind. We do what we can. Bank robberies can't be eradicated."

This does not mean banks are completely indifferent. Some banks have strengthened individual branches where robberies have taken place, though, in order to keep costs down, have opted not to make wholesale improvements in their branch network. North Fork, which had 27 robberies in its 78 branches, upgraded its security by installing digital cameras that display the customer's photo on a flat screen as a deterrent. Still, Edward Hausdorf, the director of security at North Force Bank, said, "If someone is intent on robbing a bank, they're going to rob the bank."

But Commissioner Kelly and the others say there is plenty more that the banks could be doing. Kelly recently railed at a Chase Manhattan Bank manager who took 15 minutes to dial 911 after a robbery took place. "They don't get it," Kelly told the press. "They have a security guard, and he said he didn't see anything." Kelly wondered why Emigrant Savings Bank, which was robbed by the same perpetrator several times, did nothing to alter its security practices.

In Europe, banks have been installing "people traps" in which customers must enter the bank through an enclosure that includes a metal detector and takes considerably more time to exit.

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A security guard can press a button and trap the robber before he can escape.

In the absence of such obvious preventive measures by banks here, the police themselves are employing such strategies as stakeouts and special surveillance at branches that have been struck numerous times, according to Reppetto of the Citizens Crime Commission.

Meanwhile, Taylor, the New York State Banking superintendent, is trying to apply pressure on banks by informing them that bank examiners will be focusing on "safety and soundness" during their examinations. They will be looking to see that corrective action is taking place.

"If banks don't make the move toward better safety practices, they may find themselves on the road to a legislated solution," Taylor says, "whereby compliance with a set of standards is legally mandated by the New York City Council and/or the state legislature."

Gary M. Stern has written articles for the Daily News, NY Post, and NY Observer, and newsletters for JPMorgan Chase.