

# Education & Training Bulletin

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## Automatic Teller Machines

### Key Points

- **There are over 3000 Automatic Teller Machines (ATMs) in the City of Chicago, and over 60 million transactions are conducted every month.**
- **Beat and gang/tactical officers should be aware of the ATM locations on their beats or within their districts.**
- **All officers should be alert to suspicious individuals or activities in the area immediately surrounding an ATM.**
- **When an ATM related crime is reported, prepare the appropriate case report and include in the narrative section that it is an ATM related incident.**
- **The Detective Division separates case reports indicating ATM related crime and categorizes them via special alpha identifiers before entering them into the CHRIS statistical and crime pattern analysis database.**
- **ATM locations should be listed in Beat Profiles.**

Automatic Teller Machines (ATMs) have become a major component in the service and delivery strategies of the financial community. Industry estimates indicate that the number of ATM units in service has increased from 80,000 in 1989 to approximately 600,000 nationwide in 1999. Transaction volumes also rose dramatically, from 3.2 billion in 1985 to nearly 100 billion in 1999, indicating the consumer's growing reliance on ATMs.

There are over 3000 ATMs in the City of Chicago where over 60 million transactions are conducted every month. The majority of these units operate 24-hours a day.

Since ATMs contain large amounts of cash and require periodic deposit pickup and cash replenishment service, they are also targeted by criminals seeking to defraud or rob customers and service teams. This, of course, makes ATM use and support a significant law enforcement concern.

### Types of ATMs

The five basic ATM site types are walk-up units, through the wall units, freestanding units, drive-up units and cash dispensing machines (CDMs). Cash Station and Citibank operate the two major networks in the Chicago area.

#### Walk-Up ATMs

Vestibule ATMs are placed in an enclosed vestibule of a bank or commercial building. They may have restricted access via a card reader which operates an electric door lock when an ATM card is inserted.

### **Through the Wall ATMs**

The ATM is placed through the wall of a building with free access to the face of the unit from the street.

### **Freestanding ATMs**

ATMs are sometimes placed in freestanding kiosks that are usually located in parking lots or major public areas like airports, train stations or shopping mall corridors. They are also found in convenience stores, gas stations and various small businesses.

### **Drive-up ATMs**

Placed in the drive-up area of a financial institution or parking lot of a commercial, retail or financial area, drive-up ATMs are designed to have transactions conducted from the safety and convenience of the customer's automobile.

### **Cash Dispensing Machines (CDMs)**

CDMs only dispense cash and do not accept deposits. Located on licensed premises, CDMs are owned or leased by the licensee. When conducting a preliminary investigation, officers should determine the owner of the unit. These machines are usually not as secure as ATMs (lacking surveillance cameras, lighting and protected accessibility, etc.).

## **How ATMs Work**

The ATM is a banking terminal connected via telephone lines to a special switch that directs the transaction to the customer's bank computer. The information going over the telephone line is encrypted with a sophisticated coding system to make the communication unintelligible to anyone except the bank authorized to receive and process the transaction. To initiate a transaction, the customer inserts his/her bank card into the ATM, enters his/her Personal Identification Number (PIN) and keys in the type and amount of the transaction.

## **ATM Crime**

**ATM crime can be categorized into three basic areas:**

- 1. Crime against the machine or financial institution.**
- 2. Crime against the ATM customer.**
- 3. Crime against a service team.**

Upon receipt of the transaction request, the bank's computer checks the customer's account, verifies the customer's PIN and authorizes the ATM to complete the transaction if there are adequate funds in the account.

## **ATM Security**

Each financial institution establishes its own security practices. As a result,

security practices vary from institution to institution and location to location. Security practices may include the following measures:

### **Good Visibility**

The ATM and customers utilizing the ATM are visible from the street. Areas for potential offender concealment are minimized.

### **Adequate Lighting**

Good lighting is provided at the ATM, approaches to the ATM and adjacent customer parking areas.

### **Restricted Access Enclosures**

Only customers with a magnetic strip bank or credit card are able to enter the vestibule.

### **Surveillance and Transaction Cameras**

Cameras can be installed to record transactions and/or activity around the ATM. While some cameras focus only on the person in front of the ATM, others capture the entire area surrounding the ATM. Transaction cameras are usually concealed behind the ATM via a two-way mirror or dark glass. General surveillance cameras are usually mounted in plain view near the ceiling in the ATM area.

### **Monitored Video Camera**

Some video cameras are monitored by security personnel who may be at other locations in the same building or at a more remote location.

### **Human Presence**

Some ATMs are positioned in locations where there are staff personnel or security officers on duty 24 -hours a day.

### **Emergency Communication Devices**

Many ATMs have automatic dial customer service telephones which can be used to summon emergency assistance from either customer service or security. Some have customer activated alarms which contact security control station officers who then summon the police.

### **Security of CDMs**

Security at CDMs differs from ATMs due to their locations. Most CDMs are found in small retail stores, gas stations, mini-marts or other such businesses. Lessened security at CDMs leave customers and machines more vulnerable to criminal activity. CDM users and service personnel should be reminded of safety precautions. Beat officers should also become familiar with the CDMs on their beats.

## **ATM Crimes**

### **Crime Against the Machine**

ATMs have been burglarized, vandalized and stolen by criminals using prying devices, sledgehammers and even tow trucks.

Various types of fraud have also been attempted, either internally by employees or externally by persons seeking illegal access to customers' accounts through misrepresentation.

### **Crime Against the Customer**

The majority of ATM crimes are robberies perpetrated on customers at walk-up units located in the business district of an urban area. These crimes also feature the following characteristics:

1. The victim is usually alone.
2. Women are victimized in 60% of the cases.
3. Victims are injured in 15% of the robberies.
4. Most robberies occur between 1900 and 2400 hours.
5. Most robberies occur while the customer is using the ATM or immediately after a withdrawal.
6. The offenders are usually one or two males under the age of 30.
7. Offenders display weapons or threaten use of a weapon in most cases.
8. The average loss is \$364.00.

## **Preliminary ATM Investigation**

- **Prepare the appropriate case report and include in the narrative section that it is an ATM related incident.**
- **Be aware that video camera surveillance of the area and the crime might provide photographic evidence.**
- **In the event of damage to ATM or related equipment (lighting or surveillance cameras, etc.), remember to check the district Business/Organization Location Record for notification information.**

### **Crime Against the Service Team**

Service teams for ATMs are comprised of one or more persons who utilize marked or unmarked vehicles when making their daily rounds. These vehicles may vary from an automobile to an armored truck. Service personnel should have appropriate identification which can be verified by the pertinent financial institution. Attacks against service teams have thus far been rare but can be violent.

## **Preventive Patrol**

Visible police presence in and around an ATM facility may deter crime. ATM locations should be included in the Beat Profile within the Master Beat File. Be aware of all ATM locations on your beat and periodically check these locations for the following:

- Potential victims, particularly lone patrons at walk-up facilities.
- Suspicious individuals or activities in the area.
- Parked or suspicious vehicles, especially vans or automobiles with opaque glass that afford cover or concealment of persons inside.
- Lighting conditions and visibility.

## **Detective Division Responsibility**

As a result of the expanding availability and use of ATMs, as well as several well publicized ATM related crimes, the Detective Division has been assigned the responsibility for collecting ATM crime data. The Detective Division reviews all General Offense case reports and separates those indicating ATM related crime. It then categorizes the reports via special alpha identifiers before entering them into the CHRIS statistical and crime pattern analysis database.

## **In Conclusion**

Committed to the protection of consumers who utilize ATMs located within the City of Chicago, the Department will continue to work with the financial industry in developing and implementing prevention measures. The Department will also monitor, track and investigate ATM related crime and initiate prosecutions when appropriate.

## ***Consumer Safety Tips***

***Keep your ATM cards in a safe place. Protect them as you would your cash or credit cards. Report lost or stolen cards to the bank and police immediately.***

***Keep your Personal Identification Number (PIN) secret. Memorize your PIN and do not write it on your card or store it with your card. Never disclose your PIN over the telephone.***

***Look around before using an ATM. If you observe suspicious person(s) or activity, do not use the machine.***

***Be sure to take your ATM receipt with you. Account information may be printed on the receipt.***

***Never assume it cannot happen to you.***

This ETB was designed and edited by P.O. Mike Haas of the Education & Training Division.