

RISK Alert

ACTIONABLE INSIGHTS FOR BOND POLICYHOLDERS.



Alert Type

Awareness

Watch

Warning

Automated Teller Machine “Smash and Grab” Attacks on the Rise

Over the past year, financial institutions - including credit unions across the country - have reported Automated Teller Machine (ATM) “smash and grab” crimes. These aggressive attacks are comprised of several common traits where the perpetrators typically use stolen heavy-duty trucks with chains or construction type vehicles to rip apart the ATM and gain access to cash canisters. These attacks cause financial loss and property damage in addition to impacting credit union operations and the communities they serve.

Details

“Smash and grab” style attacks of ATMs rose over the past several years in the Houston and Southeast Texas area. However, credit unions have had limited to no lobby access and instead encouraged members to use ATMs because of pandemic mitigation measures. Given these changes occurred nationwide, the once state specific threat has spread to other parts of the country. It appears organized crime is the root of smash and grab activity in Texas.



A special law enforcement unit - comprised of FBI and local law officials - has reported more than 139 incidents over the last 12 months. This report does not provide the full scope of these incidents; however, the data does show an attack radius over a wide geographic footprint. It also reports that the criminals have become

more sophisticated in their methods, in some cases employing the use of explosives. This has limited the actual time of attack to sometimes just 2 – 3 minutes for cash supplies to be accessed.

As many credit union lobbies have been closed or restricted during the pandemic, members have become much more dependent on ATMs and Interactive Teller Machines (ITMs) to conduct transactions. **Machines located on the outermost drive-thru lane or standalone on an island may be the most vulnerable.**

The damage, or in some cases, destruction of these machines can affect operations as it may take weeks and significant financial resources before they can be repaired or replaced. Property and machine damage costs range between \$50,000 to \$100,000. Credit unions in smaller or more rural communities can be seriously impacted by this type of disruption.

Date: July 6, 2021

Risk Category: ATMs; Physical Security; Property Damage

States: All

Share with:

- Branch Operations
- Executive Management
- IT
- Plastic Cards / Cards Department
- Risk Manager



Facing risk challenges?

[Schedule](#) a free personalized discussion with a Risk Consultant to learn more about managing risk.

Automated Teller Machine “Smash and Grab” Attacks on the Rise

Risk Mitigation Tips

Credit unions should consider these loss controls:

- Ensure basic security measures are in place. ATM and ITM machines should be properly secured with bolts into concrete when available and areas surrounding ATMs should remain well-lit with adequate surveillance coverage.
- Implement the use of bollards and barriers. The vehicles typically used in these attacks require adequate spacing to execute this crime. Machines located on the outermost drive-thru lane or on an island may be the most vulnerable. The installation of bollards or steel barriers around and across the machines can serve as a deterrent. The more effort and time needed to gain access may discourage the criminals from attacking that machine.



If you are aware of similar attacks in your geographic area, you may also consider relocating machines to a more secure location or switching to wall-mounted or other models given the pervasiveness of the threat.

- Connect with your ATM and ITM providers to inquire about any physical security enhancements that may be available for your existing machines. Certain providers have made enhancements like fortified barriers, door and gate kits, exterior anchor devices, as well as GPS tracking devices available to track compromised currency cassettes. Alarm and sensor upgrades such as high-speed notification to law enforcement or monitoring stations as well loud audible alarms may also be considered.
- Reevaluate currency replenishment schedules and limit cash amounts. In many cases, it appears the criminals were monitoring the credit union to identify when the attack would be most lucrative. Varying replenishment schedules and limiting currency amounts are highly advisable.
- Connect with local, state, and federal law enforcement to understand the nature of these threats in your area and follow recommendations for mitigation. Collaborating with these agencies may assist in reducing ATM crime risk.

Risk Prevention Resources

Access CUNA Mutual Group's [Protection Resource Center](https://www.cunamutual.com) at [cunamutual.com](https://www.cunamutual.com) for exclusive risk resources (User ID and Password required).

- [Automated Teller Machine \(ATM\) Safeguards](#)
- [ATM Risk Overview & Inspection Checklist](#)
- [Currency & Vault Specifications / Guidelines](#)



Access the Protection Resource Center for exclusive resources:

- [Loss Prevention Library](#) for resources & checklists
- [Webinars and Education](#)
- [RISK Alerts Library](#)
- [Report a RISK Alert](#)

The Protection Resource Center requires a User ID and Password.

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