

Can You Make CHANGE? . . . *for a safer box access system.*

CHANGE: *The critical evaluation of an existing condition and the utilization of an innovative method to improve it.*

Would you make a **change** in your vault access system that could protect your financial institution from being sued for millions? Can a **change** be made to your current internal procedures that will better safeguard safe deposit box access for your financial institution?

If you think the answers to these questions might impact your safe deposit access system, read on. After 35 years of providing safe deposit training and consultation, I answer many operations, security and compliance questions each month. Individuals who are asking many of these questions also share their box access horror stories.

Many institutions, perhaps yours, are still using the outdated box access card or ledger system where renters sign the same access form every time they enter their safe deposit box. This antiquated box access system often creates major operations, security and legal problems.

Problem #1: Wrong access cards are signed.

If access cards are filed by safe deposit box number, there is the possibility that the wrong access card could be pulled, presented to the renter and signed. Let's say that the renter of box #32 just signed box renter's #33 access card, which was mistakenly pulled and placed before him. It's the institution's blunder that created this problem and now it's the institution that must rectify the situation.

A supervisor is immediately notified as soon as the error is discovered. After obtaining all the details, the supervisor contacts my Houston office for advice. The supervisor describes the problem and asks if whiteout can be used to cover up the erroneous signature. If not, would a line drawn through it with a notation "signed in error" be acceptable? Unfortunately, I must say that neither of these solutions will eliminate the problem. I explain that if her renter comes in to access his safe deposit box #33 and sees someone else's signature on his card, he could claim that items are now missing from his box. If his claim goes unsatisfied, he might sue the institution, and during the litigation, all of his safe deposit records would be subpoenaed. The altered signature on his access card will cause your institution's legal position to be severely compromised.

Problem #2: Access signatures are forged.

Another unfortunate "access card" horror story provided details about a box renter who was murdered during a home burglary. The burglar found the renter's box key and samples of this dead man's signature on various legal documents. After practicing the renter's signature for hours, the burglar went directly to the financial institution to access the box. When he approached the vault attendant and requested box access, the renter's long access card was laid out in front of him. All previous access signatures of this murdered victim were now visible to the burglar and a perfect forgery was easily provided. This financial institution was very fortunate that they had other adequate identification and access safeguards in place. Access was denied and the institution's security officer detained the murderer until the police arrived to arrest him.

Even though this true horror story is an extreme example, the access card system does facilitate forgeries by making all of the renter's previous signatures visible at the time of signing for box access.

A solution is possible, but it does require CHANGE.

There is an easy solution to these growing access card and ledger problems. The recommended solution is called an "Access Ticket System". An access ticket is a small, individual piece of paper that is used only one time for a box access transaction. If you are not currently using this system, let me respond to some of the "most frequently asked" access ticket questions that I consider the most critical. This information should help

many financial institutions evaluate and establish a safer box access system and could possibly eliminate future problems and safe deposit litigation.

Q. How should access tickets be filed and recorded?

A. *There are two popular access ticket filing systems used nationwide. If you have a large vault operation, access tickets can be filed in box number order, by access date, in a fire resistant area. This system requires that an internal access record card be maintained that indicates the date of entry, the number of persons accessing the box and the attendant's initials. This information enables you to recover these records in the future if necessary. Many other financial institutions with fewer boxes, have adopted the simpler "file folder" system. Each box has a numbered folder and at the end of the day these access tickets are filed into the folder that corresponds to the box number. This file folder is also used to retain all other legal documentation relating to the history of this box rental.*

Q. What information should the access ticket contain?

A. *Just like the access card or ledger system, access tickets must contain specific and required legal information. The renter's box number and the date and time of access must be recorded. Signatures of all individuals accessing this box, including all renters, deputies, agents, small children and other visitors, must be documented on each entry ticket. A bold legal statement that states (**I affirm, to the best of my knowledge that all renters are now living, competent and not in a state of bankruptcy**) must be printed above the line where a deputy or agent would sign. The vault attendant's initial must always approve the renter, deputy or agent's access signature and the renter's initial is necessary to approve the visitor's signature. The vault employee must also initial and indicate that after the transaction was completed, the vault and/or viewing room were inspected and nothing was found.*

Q. How can we CHANGE our access system?

A. *Changing to the access ticket system is very easy and rather painless. After you decide to adopt this new concept, you should obtain a supply of access tickets, access record forms or file folders. Your employees should be instructed and trained on the proper use of these new forms and this access system. It is also important to inform each employee about the safeguards that this system will provide, and why this change is necessary. Without performing this important step in the beginning, employees will sometimes question and resist using these new forms. The old card and ledger system was a little easier for them to use and required less effort on their part to identify a renter. Fortunately for the converting financial institution, after the changes are made, this new access ticket system is about 300% safer.*

In Conclusion

Taking precautions, training your employees and testing your internal access procedures can minimize your potential for liability and the time-consuming embarrassment and publicity of a safe deposit lawsuit. If you need assistance in obtaining a workable access ticket system, or would like a complimentary "Access Ticket Package" faxed to you, call (713) 937-9929 or email your request to sdspec@aol.com. Review your current box access system now, and if necessary **CHANGE IT NOW!**

About the Author: *David P. McGuinn, President of Safe Deposit Specialists, is a former banker and is often referred to nationwide as the safe deposit GURU. In all 50 states he has trained over 200,000 safe deposit personnel since 1969 and has served as President of the American Institute of Banking and the American, Texas and Houston Safe Deposit Associations. He has created numerous safe deposit manuals, training videos, brochures, compliance forms and other products. During the past 35 years, McGuinn's safe deposit manuals, videos, products and forms have been recognized as the national standard for the financial industry.*