

## Safe Deposit Burglary Mirrors “The Bank Job” Movie

On Easter weekend of 2008, burglars went on an Easter egg hunt of their own. Four hundred thousand dollars in cash and other valuables were stolen from Sovereign Bank’s Howard Beach branch in Queens, New York. The thieves breeched the heavily fortified safe deposit vault and the bank’s currency lockers and safe deposit boxes within.

### **When and How it Started**

Investigating authorities believe that preparations for the burglary began on March 17, St Patrick’s Day. They can pinpoint this date because a window was broken in a store adjoining the bank building. At the time, police attributed the damage to vandalism. In retrospect, they now believe our band of burglars stole a door key and duplicated it. Using this key for easy store access, all outside windows were subsequently covered with heavy shower curtains to conceal the activities that were going on inside.

During the weekend, using a jackhammer, the thieves labored to fashion a large hole in the common cinder block wall between the bank and the store. Once inside the bank lobby, the security system was short circuited and compromised, then they bored through the steel-and-concrete reinforced vault. Using sledgehammers, heavy-duty drills and crowbars, the bank’s currency lockers and safe deposit boxes were accessed.

The burglars left no stone unturned. To destroy forensic evidence, all walls were sprayed with fire extinguisher foam. A sink drain was also plugged and a water faucet was left running, flooding both buildings.

The safe deposit vault contained a total of 400 boxes, but only 100 of these were rented. Ironically, only 50 of these 100 were opened. The other 350 were left untouched. Could this have been an “inside job”? The strong possibility greatly concerned the 50 unfortunate box renters who had many questions about vault security and insurance coverage on their missing box contents.

The scenario you have just read could have been any innovative vault burglary. However, shortly before this particular robbery, a documentary film entitled “The Bank Job” had been released and widely viewed. It chronicles a very famous London vault robbery. The events in the film closely parallel the modus operandi of our Easter bunny bandits. A coincidence? Probably not.

Sovereign Bank’s security department, the FBI, and the New York Police Department’s Joint Bank Robbery Task Force are all focused on solving this crime.

### **Ten Important Preparations**

Box renters take for granted that the name “safe deposit box” implies that this is a safe place to deposit their valuables. They pay for and expect to have peace of mind, and when their “safe place” proves to be not so safe, they feel deceived, angry, and violated. Usually all of this negativity is directed toward the financial institution. To avoid damaging publicity, class action lawsuits, hostile consumers, disgruntled box renters, and unlimited potential liability, some specific guidelines must be in place. In addition to an adequate vault security system, there are ten basic disclosure and training practices that should be implemented.

Take the following ten-question test and see if you’re ready for a vault burglary and the embarrassing accusations it will bring. If you answer “Yes” to these questions, your procedures are adequate and you can avoid this risk. If you answer “No” you may have some hidden liability and exposure that you are not aware of.

1. Are employees continuously trained to correctly answer questions about vault security and insurance coverage relating to your safe deposit service?
2. Do you provide your renters with a specific “Questions and Answer” brochure that correctly addresses their concerns about insurance coverage, vault security and other important safe deposit details that must be disclosed?
3. Is a separate “No Insurance Disclosure” form, printed in at least eight-point bold type, provided to all new box renters and mailed annually when the box rent is due?
4. Do you display a carefully worded 8”x10”, No Insurance sign inside or near the vault area that clearly states that obtaining insurance protection is the renter’s responsibility?
5. Does your lease agreement have a very clear statement that says: “No insurance coverage is provided by the financial institution to cover a renter’s box contents,” and is a copy of your rules and regulations given to each new renter?
6. Do you avoid using misleading words, statements or guarantees, such as “burglarproof, bombproof, fireproof or waterproof” in your safe deposit marketing brochures, statement stuffers or other promotional items?
7. If you disclose annual box rental rates and fees in a “Service Fee” brochures or mention that you offer safe deposit services on your web site, do you have a bold disclaimer under this section that says: “No insurance coverage is provided on box contents by FDIC, NCUA or this financial institution”?
8. Do you avoid displaying FDIC or NCUA signs or logos on or near your vault door, inside the vault, on safe deposit marketing brochures, or on key storage wallets provided to your renters?
9. If you experience a burglary, are employees trained to be very careful when issuing statements to consumers or the news media about what was stolen, any recovery efforts, or the safety or security of your safe deposit vault operation?
10. After a burglary, could you prove that the same degree of care, security and recovery efforts were provided to protect and recover your box renter’s valuables, as you would provide for your own financial assets?

### **In Conclusion**

How did you do on the test? If you had any “No” answers and would like to find out how to improve your security, operations and reduce your liability, assistance is available. Simply contact Dave McGuinn at 713-937-9929 or visit [www.sdspec.com](http://www.sdspec.com) to obtain valuable information. You must test your security, marketing and disclosure procedures now . . . **not after a vault burglary or other disaster.**