



New York Bankers Association

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**Michael P. Smith
President**

April 15, 2009

Hon. Christine C. Quinn
New York City Council Speaker
City Hall
New York, New York 10007

Dear Speaker Quinn:

We are writing in opposition to a proposal (Int. No. 960) which has again been introduced in the New York City Council to mandate the installation of bandit barriers in all New York City banks. In 2003, during the last economic downturn (and corresponding increase in bank robberies), a similar bill was considered and tabled. We believe the facts are even stronger today against imposing such a burden - particularly since now, an even larger majority of New York City banks have bandit barriers, and yet, continue to be the victim of the majority of the bank robberies. NYBA is comprised of the commercial banks and thrift institutions that do business in New York State. Our members employ almost 300,000 New Yorkers and have assets in excess of \$9 trillion.

NYBA and our members are committed to the safety of bank customers, employees and the citizens of New York City. In this regard, our members rely on a broad array of bank security measures, all of which are set forth in the Bank Security Best Practices which we developed in conjunction with the New York City Police Department (NYPD) in 2003. Since that time, we have maintained an ongoing constructive dialogue not only with the NYPD, but also with the FBI and Nassau and Suffolk County Police Departments. In fact, in January 2009 we worked cooperatively with the NYPD to coordinate a Bank Security Summit at NYPD headquarters, which we, along with a number of our member banks, attended.

However, we believe that banks should have the flexibility to differentiate their security measures based on their individual risk factors and business plans. The overall effectiveness of this strategy has been borne out through the years. In fact, although 2008 saw an up-tick in bank robberies, the total number of bank robberies committed was actually statistically lower than the number committed in 2003 - despite the fact that more than 400 additional branches have opened in the City since then. (A total of 1302 branches were located in New York City in 2003 (approximately .31 robberies per branch), and a total of 408 bank robberies were committed that year. In 2008, there were 1707 branches, and 444 robberies in New York City (approximately .26 robberies per branch).

As a result, we are strongly opposed to any legislative proposals, such as Int. No. 960, in which specific security measures are mandated. We believe that Int. No. 960, is particularly objectionable because it not only mandates one particular measure that may or may not be more effective than any other, but also would require the expensive and unnecessary refurbishment of almost all New York City branches – including the vast majority of branches which already are equipped with bandit barriers. In fact, because of the specificity of this bill's requirements, even branches only recently equipped with bandit barriers, at the City's request, would need to be retrofitted yet again.

As stated above, most bank branches in New York City already have bandit barriers, and, as a result of the recent acquisition by J.P. Morgan Chase of Washington Mutual, many more branches are being retrofitted at this very time with bandit barriers. Thus, Int. No. 960, at the very least, would seem to be unnecessary. Moreover, the minority of branches in the City which do not rely on bandit barriers have an array of other, effective security tools, which they believe are equally effective at deterring crime, and are more in keeping with their banks' individual business plans. This view appears to be well-founded as confirmed in a United States Department of Justice Publication, "Problem-Oriented Guides for Police Problem-Specific Guides Series Guide No. 48 – Bank Robbery", published March 2007. That guide states: "There is no evidence that every bank or branches needs to adopt the same rigorous and expensive crime prevention practices – practices that can sometimes make a branch look like a fortification. Instead, different branches face different robbery risks, even those that are quite near to one another."

Statistics also confirm that bandit barriers are not a panacea, as according to several member surveys which NYBA has conducted, more than 70% of the bank robberies which occurred in New York City over the last several years, occurred at banks that indeed did have bandit barriers. Thus, the belief that passage of Int. No. 960, would act as a significant additional deterrent to bank robbers, appears to be belied by the facts.

What is certain, however, is that the burdensome provisions of Int. No. 960 that require bandit barriers not only to be installed in every branch, but also to "meet or exceed Underwriters Laboratories Level II ballistics standards" and be "constructed in such a manner so as to prevent an individual from breaching" the partition, would require the vast majority of bandit barriers which are presently installed in New York City (and which meet Underwriters Laboratories Level I ballistics standards) to be replaced at great cost and significant inconvenience to bank customers, for no discernible reason. It is our understanding that there have been no incidences, to date, in which the thickness and strength of the Level I

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partitions were proved ineffective; yet all Level I partitions would have to be replaced should Int. No. 960 be enacted. Moreover, the requirement that the barriers be constructed to prevent breaches could be interpreted to require partitions that reach the ceiling – resulting in new and costly ventilation systems as well as possible fire code violations. Yet, the presumed marginal additional safety benefits are at best speculative.

NYBA and its members believe that the most effective deterrents to bank robbery remain vigilant surveillance, effective communication, aggressive investigation of bank crimes leading to the apprehension and conviction of perpetrators, and the reaffirmation and strengthening of current criminal robbery statutes. The fact that so many of the bank robberies are committed by serial robbers, clearly illustrates this point. During an April 5, 2009 national radio broadcast on NPR, both the NYPD and FBI asserted that three robbers were responsible for most of the bank robberies in New York City this year, highlighting this point.

These robberies were note-passing, non-violent, serial robberies, in which, fortunately, no one was hurt, and the only damage done was to the victimized banks. It is clear, that once these serial perpetrators are apprehended by the NYPD, the increase in bank robbery statistics will diminish dramatically. However, unless the penalties for committing this crime are increased, all the bank security measures in the world will not deter criminals from attempting this crime in the future, particularly during times of economic stress.

Bank robbery is a serious crime, which causes trauma for all people in the branch. It is an attack against commerce and finance and the citizens in the neighborhoods of New York City, including seniors, who rely on the branches. At least five states have recognized this fact and passed tough new laws that identify bank robbery as a specific crime. We would urge that New York do the same, sending a strong message to would-be bank robbers that there are serious consequences for those who attempt this crime. This action, we believe, would be far more meaningful and effective than the mandating of bandit barriers or any other particular security measure.

In conclusion we pledge to continue to work with the NYPD, the Mayor and the New York City Council to reduce the rate of bank robberies in the City. We would also urge that you support us in our efforts to apply a flexible and multi-faceted approach to security along with increased penalties for bank robberies, avoiding proposals which mandate specific, one-size-fits all security requirements.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael P. Smith". The signature is written in a cursive, flowing style.

Michael P. Smith