

ATM Crime: Beware of associated risks and dangers

The Automatic Teller Machine is among the most significant banking innovations of our time, permitting financial institutions to substantially expand access to banking services for their customers. Whereas at one time transactions had to be carried out only during banking hours from late morning to early afternoon, a number of banking transactions can now be conducted through ATMs 24 hours a day every day of the year. Because ATMs allow financial transactions to be made during hours of darkness or other irregular hours, the safety of customers at ATM's is of paramount concern to the ATM using public, and should also be to financial institutions.

Recently, NCRWCC received the following account of events from a person who had just withdrawn some money from an ATM machine on a Sunday afternoon.

I had just made a withdrawal at an ATM machine along Haile Selassie Avenue. The time was roughly 2.20pm on a Sunday afternoon. I walked out of the ATM enclosure having checked outside as a routine measure to ensure no one was stalking me. I walked for approximately 100 meters in the direction of the Central bank building. As I approached the CBK pavement, I noticed a white Toyota 100 motor vehicle parked at the junction of the road leading to the police headquarters.

In the car were four men who seemed to have been waiting for someone. As I passed by, they beckoned me in a rude manner to approach them. I hesitated and my first instinct was to run away because their approach did not fit that of policemen. Just as I made the effort to turn, one of the men in the back seat lunged out with a pistol in hand pointed at me. When I saw the gun I knew there was no escape for me lest I get sprayed with bullets.

I froze in my track as the gunman approached me and stabbed the barrel of the gun against my ribs. He asked me why I hesitated to approach the car when they beckoned. The gunman then forced me into the waiting vehicle and sat me between him and another man at the back of the vehicle. I never got a chance to see the vehicles licence plates but at least knew it was a white-grey Toyota corolla 100.

Once inside the car, they began to ask me a myriad of questions ranging from where I work to where and whom I live with. They tried to make me believe they were policemen by speaking like policemen and referring to their ring leader as "afande" meaning leader. They inquired whether they had ever arrested me to which I declined.

They asked whether I was a land dealer to which I also declined. They asked for my job identification card which I did not carry being a Sunday. They insisted that one has to carry a job ID every day to which I told them that no law requires a citizen to carry a job ID when not at work and that

I had my national ID, which is enough to identify me.

They asked me to call my wife on my cell phone but I told them my phone did not have any credit at that moment. They then asked me to give them my wife's cell phone number. I gave them a fake number which they pretended to call. They told me I was a liar because no one was picking up the phone.

They said to that I must be the most wanted criminal they had been looking for. At which time they declared that they were flying squad officers on duty and had been looking for me. They took my wallet and frisked me of all that I had in my pockets. All the while we had been driving around upper hill area taking all the twists and turns available probably to confuse my geography of the area.

They returned my wallet intact but minus my ATM card. The man at the co-driver's seat claimed to have returned all my belongings. I told the man seated next to me that his boss had not returned to me my ATM card. He then told me they would hand over the ATM card to me in a while. The man at the co-driver's seat then asked me for my cell phone and I complied and gave it to him. They then drove into what looked like a dead end somewhere between an estate in upper hill and Madaraka estate.

Between the two estates is a bushy area penetrated by the railway line. There is a narrow and dusty path that links the two estates through the railway line. The four men then went into a two minute debate on where they would drop me off and settled on the area around the path I have just described. They turned the car around and the man at the co-driver's seat asked me if I was adept at following instructions to which I affirmed.

He asked the same question a second time with the same answer from me. He then asked his colleagues at the back to ensure that they had cleaned out my wallet and any money in my pockets. They then proceeded to ask for the PIN to my ATM card with the gun tucked firmly against my stomach. I thought of the consequences of giving a false PIN to them should they discover it if and when they would take me to an ATM machine and decided to give them the correct PIN. This was a decision I made in the fraction of a second because the barrel of the gun was being tucked deeper against my stomach.

The vehicle then stopped abruptly next to the path described earlier after they were satisfied it was the correct PIN I had given them. The man at the co-driver's seat asked me whether I loved my wife and son to which I affirmed. He then told me to listen carefully and do as I was told lest I would never see my wife and son again. I got very tense but tried as hard as I could not to show it. I was then ordered out of the car and asked to walk slowly along the path I described earlier without ever

looking behind. The man who had the pistol then cocked it and stood behind me watching me walk along the path. I did as I was told and when I got to the railway line I heard the car speed off.

I then crossed into Madaraka Estate and went to a family friend's house. Unfortunately there was no one home and I had to walk all the way to the Bank in the Upper hill area to report the loss of my card. They promised to immediately stop all transactions on my card. I then proceeded to Nyayo Police post to make a formal report.

To my surprise the duty officer refused to take my statement claiming the crime was not in their jurisdiction and that I had to make the report at the Industrial area police station. I walked to the industrial area Police Station and after another long period of convincing the duty officer, my report was taken into the occurrence book (OB). There were no abstract sheets and was asked to collect the abstract on Tuesday

On Monday , I called the Bank to confirm that the transactions on my ATM card been stopped and this was confirmed to have been done at 3.10 pm on the fateful Sunday. Unfortunately for me the time it took me to report the incident to the Bank was more than enough time for the thugs to make a withdrawal from my account. I discovered they had made away with ksh 18,000 and probably hoped to make a second withdrawal on the midnight of the same day. Luckily they did not get to that because the transactions had been blocked by then.

In total I lost KSh 2200 in cash, my cell phone, my medical insurance Card and the ksh 18,000 which was withdrawn from my account. Am grateful to be alive since these people could have decided to kill me because they knew I had such a good glimpse of them and identifying them would not be an issue.

It is likely that a significant number of people will identify with the above sequence of events.

NCRWCC also received a narrative of events which occurred to a gentleman whom we shall refer to as Joe, on one evening on a weekday in Nairobi, sometime ago.

Joe had run short of cash and decided to drive into ABC place where an ATM machine was located.

The place where the ATM machine seemed deserted. Joe inserted his ATM card into the slot and punched in his request to withdraw KShs. 6,000/=.

The ATM machine took a while to process his request, eventually, the machine ejected Joe's card, but not the money. After waiting for 15 minutes,

without receiving his money, Joe decided to go to another ATM located some distance away.

When he inserted his card and requested to withdraw the KShs.6,000/=, the ATM machine indicated that the KShs. 6,000/= had been already withdrawn, and that he could only withdraw the balance of KShs. 1,000=.

Confused and dissatisfied, Joe went to the Bank early the next morning, and inquired to know where his KShs. 6,000= had gone to, because he never in fact received it from the ATM.

The bank's officers told him to check in the evening with the Bank, to enable them establish whether the balances of transactions on that eventful Monday evening, indicated that a sum of KShs. 6,000/= had not been dispensed by the ATM cash machine.

That evening, the bank's officers told Joe the words he had been dreading, that the transactions for the particular ATM machine had properly balanced and that no money had been retained by the ATM. In other words, Joe had lost the KShs. 6,000/=. The Bank did not bother to offer reviewing security tapes for the time period that Joe visited the offensive ATM, in order to prove that Joe did not receive his money. Perhaps it did not even have a security camera at this ATM.

Crestfallen, Joe went home and told his wife the sad news, they would have to apply for yet another advance from his employer in order to make ends meet as suing this Bank for KShs. 6,000/= was going to be an uphill and time consuming task which was probably not going to be worth his effort and expense. This experience after banking for more than 20 years with this particular bank, was a hard pill to swallow for Joe.

What Joe or the bank may not have known was that particularly in lonely ATM machines which do not have security cameras, fraudsters have been known in other countries, to insert something in the machine that makes it malfunction and blocks the money and receipts from being dispensed. Persons who try to use it to get money only get an error message and most banks will not believe them. Then later the fraudster will come back, reach into the machine with a small special tool created for this specific purpose and remove the blockage they have inserted to retrieve all the money that innocent customers tried to withdraw.

What can the ATM user do or observe, in order to protect himself from ATM crime. Here are a few useful tips.

1. Avoid ATM machines that are close to the highways because there is easy access to escape for such people.
2. Use ATM machines that are within the compound of other facilities -

it makes it much more difficult for such people to track you down.

3. If possible make your withdrawals for the weekend before the weekend to avoid visiting the ATM's when there are not many people in the vicinity

4. Make a mental note of the card center telephone number for your ATM card for quick cessation of transactions on your card should you lose it or fall victim to such criminals.

5. Avoid carrying your job ID card when not required (carry your national ID instead) - they tend to think that they can tell what amount of money you earn based on the company you work for and job title if it is on the card and by extension how much money you could be having in the bank.

6. Try to remove or hide indicators of relationships in the address book of your cell phone - a relation of yours could easily be dragged into a similar situation.

7. Be aware of anyone sitting in a parked car in close proximity to the ATM location.

8. When leaving an ATM location while driving, particularly at night, make sure you are not being followed. If you are being followed, drive immediately to a police station, crowded area, well-lighted location or open business. Flash your lights and sound your horn if need be in order to bring attention to your situation.

9. If you are involved in a confrontation and the attacker is armed with a weapon and demands your money or valuables, it is advisable to comply and give the money and valuables, in order to avoid injury to you or your companion(s).

10. Walk purposefully and with confidence. Give the appearance that you are totally aware of your surroundings. Be aware of your total environment and what is going on around you. Criminals tend to avoid people who exude this type of demeanor.

11. Avoid selecting an ATM situated at the corner of a building. Corners create a blind area in close proximity to the customer's transaction. Try and select an ATM located near the center of a building. An ATM further from the corner reduces the element of surprise by an assailant and increases effective reaction time by the user.

12. Identify an ATM with maximum natural surveillance and visibility from the surrounding area. This will create a perceived notion of detection by a criminal and increases the potential for witnesses

13. Try and select an ATM at a location void of barriers blocking the line of sight of the ATM such as shrubbery. Barriers provide hiding areas for would-be assailants

14. Select an ATM that is in a well-lit location.

15. As much as possible, select an ATM that is monitored or patrolled by a security officer.

16. Try to select an ATM with a wide-angle transaction camera and/or a continuous transaction surveillance camera. Consult the bank for this information.

17. During late evening hours or at night consider taking along a trusted companion along to the ATM machine. If the lights around the ATM are not working properly or not at all, refrain from attempting to use it.

18. Familiarize yourself with the ATM before you use it so that you can complete your transaction quickly. For first time users, it is highly recommended that you request a Bank officer to assist you practically familiarise yourself with the ATM machine. It is within your right to make this request. The stranger that you request to assist you in your first transaction may end up memorising your PIN Number and/or stealing your money.

19. Contrary to common practice by many ATM users, it is not wise to count at the ATM the money you have just withdrawn, or leave with your wallet or cash exposed. You could always count your money later at a secure location.

20. Finally, trust your instincts. If you feel uncomfortable or if you are suspicious when approaching an ATM, act on your instincts. You can always draw money later when you feel it is safe to do so.

In some of the banks that offer ATM services, a number of ATM machines are situated virtually on the street pavements with only an unarmed askari sometimes hovering in the vicinity to provide a perception of safety. These askaris are on a number of occasions to be found drowsy or fast asleep particularly at night. In a worrying number of ATM locations, there is actually no askari posted by the Banks or even close circuit cameras monitoring events as they unfold. In these situations, withdrawals can be easily monitored by anyone with ulterior motives. As we all know, there is no shortage of such persons around.

There appears not to be any law in existence, other than common law, that compels Banks and other financial institutions to put in place measures that would assist in curbing ATM crime.

As a bare minimum and pending the enactment of ATM laws and regulations, financial institutions would do well to ensure that the customer is rightly

granted privacy and security in his dealings by creating compartments around each ATM machine complete with an lockable access door, that totally blocks off customer transactions from the prying eyes of all other persons on the ATM queue. The ATM location should be very well lit, patrolled by a security officer (who should remain awake and alert particularly at night), and the ATM should be monitored by a working closed circuit TV monitor. Surely, the safety of customers and their money easily justifies this expense. Subtle warnings given by Banks to their customers to be extra careful during ATM transactions otherwise fall far short of their moral duty.

Finally did you know that there is a patented invention which would enable persons who have been abducted to alert the police as they extract cash from an ATM to give to their captors? All the victim would need to do is to enter his PIN in reverse order which would send a message to the Police and other authorities that identifies the customer and the ATM location with the message that a crime was in progress and help was needed at once.

All persons that have abducted and forced to withdraw cash for their captors would rejoice if this system could be implemented in Kenya. Are the banks listening?

Article submitted by The National Centre for Research on White Collar Crime (NCRWCC), 7th August 2005, Nairobi, Kenya.

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A customer withdraws cash at a poorly lit ATM



an ATM user withdrawing money in close proximity to a waiting customer.