



Testimony in Support of Senate Bill 483

Date: March 7, 2022

To: Chairman Fred Patton
House Judiciary Committee

From: Stephanie Mullholland, Director of Legislative & Political Affairs
Heartland Credit Union Association

Mr. Chair and Members of the Committee,

Thank you for the opportunity to speak in support of Senate Bill 483. Heartland Credit Union Association (HCUA) represents 74 credit unions headquartered in the state of Kansas and the 676,615 Kansans who belong to their local credit union.

Credit unions are not-for-profit financial cooperatives.

Kansans began forming credit unions in 1929 on the verge of the Great Depression by pooling their finances in order to create saving and lending opportunities for each other. To this day, credit unions are not-for-profit, member-owned cooperatives - similar to agricultural and electric cooperatives. As coops, credit unions are:

- Governed by a volunteer board of directors that is elected by and from the membership.
- Return the profits to their members in the form of higher returns on savings, lower rates on loans, lower fees on accounts and direct dividends. Last year, Kansas credit unions returned \$100.39 million to their members.
- Locally owned and operated by the members of the credit union with each member having an equal vote and equal share in the credit union.

ATM smash-and-grab crimes are on the rise.

Based on insurance company estimates, claims for damages due to ATM smash-and-grabs increased by 220% from 2019 to 2020 nationwide, followed by a 257% increase in 2021.

Some of the reasons we believe criminals are increasingly turning their attention to ATMs:

- 1) Consumer demand for ATM access has led to more ATMs in the marketplace, which translates to increased opportunity;
- 2) COVID led to more consumers opting to do business through an ATM, which required financial institutions to more readily stock machines with cash, making ATMs a more attractive target; and
- 3) Penalties for ATM crimes are not punitive enough to deter criminals.

Smash-and-grabs tend to be quick and organized.

Based on security footage, these crimes tend to follow similar patterns. They enter town, use a stolen truck or tractor, and either attach chains to the machine in hopes of popping the safe door open or remove the machine altogether in order to pry the safe door open offsite. Here's one example from a Kansas credit union:

“Turnpike cameras show they were in and out of town in less than 10 minutes. In that time, they stole a truck, attached the hooks to pop the lid of the ATM and attempted to pop the safe door open to grab the cash, and then went to separate getaway cars. They were at the ATM less than 1 minute.”



Kansans and their community financial institutions pay the price for these crimes.

These crimes – regardless of whether cash is stolen from the machine – result in significant property damage. Replacement ATMs can cost \$80,000 or more, which doesn't account for building, parking lot and other damages that may occur in the course of the crime. Due to current supply chain issues, replacement or repair of a machine can often take months, leaving members without access to a neighborhood ATM.

This is particularly problematic in lower-income communities where transportation to another ATM or branch may not be readily available or affordable for families.

Besides paying the price of access, Kansans are ultimately paying the financial cost of these crimes. As member-owned cooperatives, the profits in a credit union are returned to the members. Deductibles, increased insurance premiums, and repair costs for ATM crimes reduce those profits, which in turn can result in less money going back into credit union members' pockets.

Other states are increasing penalties in order to protect consumers.

Texas and Arkansas are among the states that have increased penalties for ATM crimes. Additional states – including Missouri and Illinois – are looking at passing tougher penalties this session. This makes it particularly timely for Kansas to consider stronger penalties so that our state and our citizens do not become increasingly vulnerable to these crimes.

Thank you again for the opportunity to express our support for Senate Bill 483. We ask for your favorable consideration.

Attachments: News articles on recent ATM crimes against Kansas credit unions.

No money taken, ATM damaged following attempted theft at Emporia State Federal Credit Union 12th Ave. branch

Emporia, KS, USA / KVOE

[Tagan Trahoon](#)

Mar 25, 2021 | 8:55 PM



Local law enforcement is working closely with state and federal agencies to apprehend the culprits responsible for a recent attempted theft of an ATM at a local banking establishment.

Around 2:15 am Wednesday morning, Emporia Police were called to Emporia State Federal Credit Union's 12th Ave. branch for a report of damage to an ATM. According to Emporia Police Sgt. Lisa Hayes, officers found the ATM had been pulled from its base. A stolen pickup truck with a chain connected to the ATM and pry tools were found at the scene.

ESFCU President Angie Miller says no money was taken from the ATM. Miller went on to say the situation at the Credit Union may not have been an isolated incident.

0:00 / 0:18

According to Hayes, the attempted theft Wednesday mirrors similar crimes in Chanute, Wichita and Parsons in recent weeks.

Miller says plans are to replace the ATM in the coming weeks and encourages customers to utilize the ATM at the Industrial Road branch in the meantime.

Video footage of the crime shows two suspects; both in dark-colored hoodie sweatshirts, dark sweat pants, white sneakers and masks. One of the suspects had a white "Reebok" logo on their sweatshirt. Further descriptions are not available at this time.

ADVERTISEMENT

Police looking for man who glued Envista ATM



A surveillance image shows the person suspected of gluing an ATM at an Envista Credit Union. (Surveillance Photo)

By [Melissa Brunner](#)

Published: Apr. 13, 2021 at 10:25 PM CDT



TOPEKA, Kan. (WIBW) - Envista Credit Union wants to find the man who glued shut one of its ATMs in Topeka.

Envista donated \$500 to Shawnee Co. Crime Stoppers as a reward for information leading an arrest. Surveillance photos posted to the Shawnee Co. Crime Stoppers Facebook page show the incident happened around 7:30 p.m. March 29.

Anyone with information may call tips anonymously to 785-234-0007 or by submitting a tip online at <http://p3tips.com/128>.

NEWS

ATM damaged with stolen truck in Salina

The Salina Journal

Published 11:52 a.m. CT July 15, 2021

Police are investigating after a stolen truck was used to damage an ATM in Salina Thursday.

Salina police said it was sent at 4:13 a.m. Thursday to Great Plains Federal Credit Union, 605 S. Ohio St. for an ATM alarm.

When officers arrived there was visible damage to the ATM with hooks and a yellow tow strap still attached to it. There were tire tracks leading to the northeast corner of the credit union parking lot. Police said it didn't appear any money was taken from the ATM.

While investigating, officers found a 2000 Ford F-250 parked in the 500 block of South Delaware Avenue with the engine still running. Police said the ignition appeared to be punched and part of the tow strap was still attached to the truck.

The truck was owned by a Salina resident for a remodeling business who told police the Ford was parked the night before at 1014 E. Prescott Road. The F-250 is valued at \$4,000 and had an estimated \$1,000 of damage to it.

Salina police said it is reviewing video surveillance as part of the investigation.