

February 1, 2019

Senate Committee on Judiciary

Testimony from Clayton R. Adams, President and CEO of Mascoma Bank in support of S. 20, Bank Robbery Bill

Thank you for the opportunity to submit testimony in support of S. 20 – Bank Robbery Bill. I am Clay Adams, the President and CEO of Mascoma Bank and a resident of Norwich, VT along with my wife and two daughters.

Over the next few minutes I want to talk about the following things. First, I will introduce you briefly to Mascoma Bank. Second, I will explain the bill's relevance to Mascoma Bank's. Third, I will describe how bank robberies affect our employees, customers and communities. Lastly, I will explain why this bill is necessary.

About Mascoma Bank

Mascoma Bank is based in the Upper Valley region of Vermont and New Hampshire and celebrates its 120th anniversary this year. We are a bank of nearly \$1.8 million in assets, which makes Mascoma one of the largest banks based in either Vermont or New Hampshire. As of January, we employ 325 people and have two dozen branches that run the length of the Connecticut River Valley in Vermont and follow the I-89 corridor from New London, New Hampshire to Bethel, Vermont. Later this year we will also open branches in the Burlington market, where we have been active in commercial and residential lending for several years.

Mascoma Bank is a mutually-owned bank. This means we do not have stockholders in the traditional sense and instead consider our stakeholders to be our customers, communities and employees. As such, our vision statement for the Bank is to be a force for positive change for our customers, communities and employees. Since we do not give a dividend to shareholders, we consider direct philanthropy to be a dividend. Over the past five years, Mascoma Bank and the Mascoma Bank Foundation have contributed more than \$5 million to our communities. These factors and many others allowed us to become the first bank in New England to become B Certified. We are now among a small group of banks nationwide to receive this designation.

We also reach beyond the communities where we have branches. Mascoma Bank is among a small handful of banks nationally that has a Community Development Entity (CDE) through its wholly owned subsidiary, Mascoma Community Development. Through this group, we have been awarded more than \$100 million of tax credit allocations from the US Treasury to administer the New Market Tax Credit program in this region. With this program we have worked throughout Vermont to create jobs in underserved markets. The project we are working on actively right now is the Putnam Block in Bennington.

While many banks have sold or merged over time, we intend to remain a mutually owned bank, rooted here and focused on our communities.

The bill's relevance to Mascoma Bank

I wish it were not the case, but this bill has more relevance to Mascoma Bank than I'd like. Since 2012 Mascoma's branches have been robbed five times. Four of these robberies occurred in Vermont: Hartford twice, Springfield and Hartland each once. The most recent robbery happened on January 7 this year in Hartford.

- Three of these robberies were at gun point with a semi-automatic hand gun
- Four of these robberies were committed when customers were in the branch.
- All of these robberies seem to be related to opioids or other drug-related crime.

Affect bank robberies have on our employees, customers and communities

Banks do a lot of training. Some of this training involves what to do during a robbery. We instruct our teams to get the robber out of the branch as quickly as they can. It is a bad scenario if someone confronts the robber and we have a stand-off or ultimately a hostage situation. This increases the risk of customers, employees or the robber being hurt. The best-case scenario is if the bank robber is in and out in seconds.

I can think of no better way to convey the gravity of a bank robbery to you than by providing you details on a couple of these robberies.

The first robbery I'll describe is the one that happened on January 7th of this year at our Maple Street branch in Hartford, Vermont. The robber came in, wrote a note at our deposit slip counter and presented that note to one of our tellers. The note asked for \$5,000 of cash. Our teller provided the cash. The robber left the branch. Our teller did what she was trained to do: she cooperated, after the robber left the branch she walked to the front door and locked it, then she activated the silent alarm.

There was a terrific response and cooperation from local and state law enforcement. The suspect was apprehended about 2 hours later traveling southbound on I-91 in Massachusetts while on his way to Springfield to purchase heroin.

Immediately after a robbery, a small group of people goes to the branch. This includes our head of security, a branch administration representative and a human resources representative. We immediately begin helping the team process the robbery, coordinate with law enforcement and then get the staff home. We check in with them over the next few days and encourage them to use our Employee Assistance Program to talk through the trauma. While this episode was only a few seconds, it really is a traumatic event to be robbed, particularly at gunpoint.

A few days later I stopped by this branch to see how the team was doing and thank them for following the training protocol. Sadly, the teller who bore the brunt of this event told me she'd been through it before.

The robbery that occurred in Springfield, Vermont in November of 2016 was more intense.

Our branch manager arrived at work and began unlocking the back door to the branch. At that moment, someone came out of a hiding spot, stuck a gun in his ribs, and told him to go inside. The robber proceeded to hold our branch manager at gunpoint for more than 30 minutes while the manager took money out of the cash recycler, the device behind the teller line that secures cash. During this time,

another one of our other employees arrived for work and waited for the "all clear" sign before coming in. At gun point, the robber forced our manager to give her the "all clear." Now we had two employees being held at gun point. After receiving the cash, the robber fled with the money he had stolen. The suspect in this robbery was eventually convicted for robbing a credit union and a pharmacy, but he was not convicted of robbing Mascoma Bank. Personally, I cannot imagine the effect of being held at gun point for 30 minutes with an agitated bank robber.

Why this bill is necessary?

Bank robbery is a federal crime, but the majority of cases stay within Vermont's court system for reasons of jurisdiction and because the average robbery does not seem to be a top priority for the FBI. As we move away from federal prosecution, it is important to have a state law that addresses the unique nature of bank robberies and other crimes against financial institutions. In Vermont today, bank robberies are handled through the general Assault and Robbery statute, but the penalties in that statute do not match the risk that our employees face and customers who may be in the branch. Because banks hold the money, these institutions are substantial targets for crimes like robbery, burglary, and extortion. The current statute does not include a punishment for threatening to use a weapon even if one is not displayed.

Mascoma Bank enthusiastically supports the proposed Robbery Bill and believes that this legislation will match the severity of the crime to the penalty, create a deterrent and allow Vermont's own judicial system to adjudicate these quickly. Thank you for the opportunity to provide testimony, and please do not hesitate to contact me with questions or for additional information.

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