Does Your Video Surveillance Monitoring Method Put Your Cannabis Business at Risk?

netwatch
North America

SAPPHIRE
RISK ADVISORY GROUP

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Introduction

Every business needs a video surveillance system to guarantee the security of its premises and improve business operations, but businesses in high-risk industries such as cannabis have an even greater need for these systems. Video surveillance systems are necessary for businesses in the cannabis industry like cultivation facilities, processing labs, and dispensaries which may become targets for potential criminals due to the large amounts of currency and cannabis products stored on-site.

In addition to the video surveillance needs of all businesses, for cannabis businesses, these systems are necessary to remain compliant with local or state law. Regulations require cannabis businesses to equip their facilities with a functioning video surveillance system, yet regulations can be less restrictive about how these systems are monitored. However, the method of video monitoring chosen can determine how effective the business can be at reducing and preventing criminal activity.

The three most common methods of video monitoring are on-site monitoring by employees or security guards, remote surveillance monitoring by a third-party company, and proactive video monitoring. However, there are stark differences between different video monitoring services, including those advertised the same.

Different video monitoring services have extreme variations in function, cost, and effectiveness. Yet despite these major variations, there is a lot of confusion in the cannabis industry about these different methods of video monitoring. Similarly, each facility's needs for video monitoring may differ depending on the type of license they have and their location's unique pressures and needs. But regardless of the different types of licenses or needs, there is one video monitoring method that stands out among the rest.

Proactive Video Monitoring (PVM) is the most effective, reliable, and cost-efficient solution due to the combined use of intelligent video analytics software and purpose-driven technology built to identify potential threats and trained specialists who detect, respond, and deter threats on the premises.

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Monitoring and detecting unauthorized activity

1.1

On-site employees or security guards

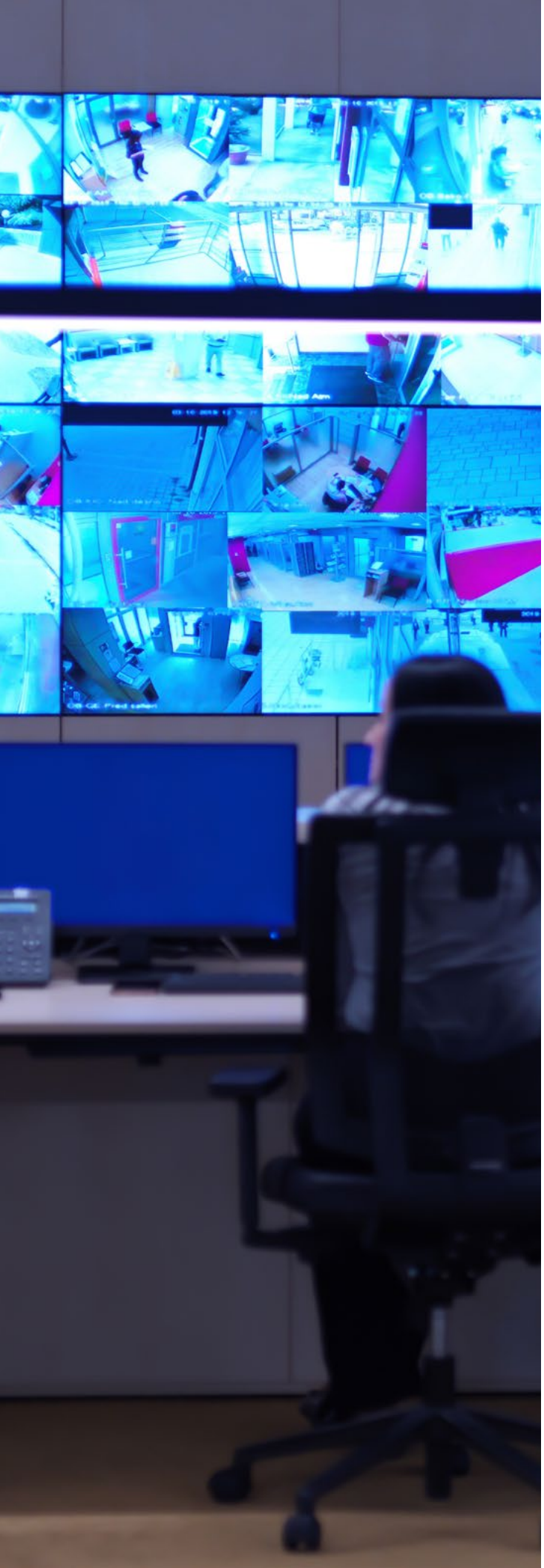
The most common alternative to PVM is the traditional method of on-site employees or security guards monitoring the surveillance video feed. The greatest benefit of utilizing this method is that, should a suspicious individual loiter on the property or another incident occurs, they can provide an in-person physical response to deescalate the situation or alert authorities.

This form of video monitoring can be especially beneficial for security guards on the property. Security guards authorized and trained to use the video surveillance system can monitor the movement of cannabis throughout the facility, including shipping/receiving or movement into secure storage, without having to be physically present in areas containing cannabis. Additionally, security guards can utilize the monitoring system for remote patrols of the premises.

Although this video monitoring method has been around since the inception of CCTV, it is not the most effective. Employees or security guards often do not receive the training that an experienced monitoring specialist does and the technology that they are often using is not purpose-built for detecting and intervening on potential threats.

Perhaps the most significant drawback is that monitoring the video surveillance system on-site takes employees away from their other duties. This video monitoring method can pull employees away from roles that could improve business operations and pull security guards away from ensuring the facility's physical security.

Additionally, this monitoring form lacks redundancies that could prevent crime since humans are not infallible, and the individual monitoring on-site could become fatigued over time. Video monitoring performed by on-site employees or security guards can also be one of the more costly options. In some cases, it can cost as much as $200,000 yearly to provide 24/7 monitoring.



1.2

Third-party remote surveillance monitoring companies

Another type of security monitoring is conducted by a third-party remote surveillance monitoring company that watches all of a business' cameras from a remote location over a live feed. While third-party video monitoring can cost just as much as on-site monitoring, it can be more effective. This is because the third-party remote surveillance monitoring company provides more comprehensive training for their operators than a typical security guard tasked with monitoring duties would receive.

Third-party remote surveillance monitoring companies can provide 24/7 monitoring or can supplement on-site security guards by monitoring security cameras during busy business hours. Third-party remote surveillance monitoring can also fill in for an on-site human operator during set hours, like overnight or during non-business hours.

Remote video monitoring through a third-party company faces many of the same risks as video monitoring provided by on-site employees or security guards. Human operators are not infallible and are subject to human error. Like on-site monitoring, third-party remote monitoring can only confirm that a possible crime is occurring and remains a reactive form of security. Third-party remote surveillance monitoring companies can alert law enforcement that a crime is occurring, but cannot deter or prevent a potential crime.

Video surveillance technology has made great strides in recent years, but most third-party video monitoring companies have not quite caught up. The third-party remote surveillance monitoring method uses the same VMS technology as on-site monitoring that often cannot proactively prevent crime in the way that a system with integrated analytics and live interventions can.

1.3

Proactive Video Monitoring (PVM) Companies

Traditional video monitoring methods using an on-site employee or security guard or a third-party company primarily offer reactionary responses to incidents in progress, alerting management and the authorities after an incident has occurred. PVM companies promote a more advanced video monitoring method that provides a remote response that works to prevent crime proactively.

PVM companies use intelligent software analytics to potentially detect threats and unauthorized activity, and within seconds, can alert a highly-trained intervention specialist to verify the incident-in-progress. US-based intervention specialists receive extensive training to ensure they are equipped to handle most potential incidents on the business premises. Some PVM companies also license their employees with The Monitoring Association's Five Diamond Certification. This certification ensures that the cannabis business is protected by highly-trained and knowledgeable professionals inside of a UL-listed facility, which meets the highest industry standards.

During an incident-in-progress, intervention specialists assess and verify the threat over a live video feed from a remote location. When necessary, intervention specialists can proactively intervene by speaking directly to the intruder through a live audio warning advising the individual that they are being recorded and that they should leave the premises immediately.

PVM also offers perimeter protection which can detect intruders in real-time before they gain access to a facility. Perimeter protection can aid a business in avoiding potential threats and liabilities like theft and vandalism. Additionally, perimeter protection can also help avoid costly false alarms and fines and document activities for compliance and risk mitigation.

Additionally, cannabis businesses that utilize monitoring services from PVM companies are also better protected from lapses in monitoring than traditional monitoring methods. This is because PVM companies use geo-diverse monitoring stations located in different locations and connected to separate electrical grids, networks, and telecommunications systems. This guarantees that if one station's ability to monitor the cannabis business is interrupted, like during a natural disaster, another station can immediately pick up monitoring duties.

PVM utilizes layers of protection designed to detect, intervene, and report incidents on the premises. First, the system detects and verifies a threat using both intelligent software and trained intervention specialists. Then, these intervention specialists respond by issuing live, policy-based audio warnings over speakers in the facility. Finally, PVM creates a report within 24 hours after an incident has occurred that can be provided to law enforcement or used by management to improve operations or investigate an incident. Cannabis businesses that work with PVM companies have continuous vigilant monitoring of their property, people, and products through uninterrupted surveillance by professional intervention specialists and the latest advancements in AI-driven analytics.

Alarm response and dispatch

2.1

Alarm verification

Alarm verification is an essential video monitoring and surveillance component for all businesses, especially when currency or valuables are stored on-site. According to research conducted by Temple University, over 95% of all burglar alarms are false alarms, which leads to wasted time and resources.

False alarms require security guards and/or key management team members to verify the event on-site, often after business hours. False alarms also waste the resources of law enforcement and the time of the police officers dispatched to respond to the alarm. A publication from Temple University stated that the most common cause of false alarms is user error, which occurs about 76% of the time. False alarms can sometimes result in fines and punishments for owners with repeat incidents.

The Temple University publication also stated that in 2000, the total national cost for responding to 36 million false burglar alarms across the United States was $1.8 billion. Economists estimate that if the false alarm problem did not exist, at least 35,000 officers could respond to other duties. False alarm calls can account for 10 to 20% of all police calls, delaying officers from responding to actual incidents.

False alarms can also be costly for any business. Though fines vary across the country, business owners can typically expect to pay more with false alarm frequency and even lose their operation legality. In Dallas, businesses are allowed three false alarms a year before incurring fines. Depending on the number of false alarms, fines increase from $50 to $100, and if a business gets more than eight false alarms a year, the city will revoke its permit. In Los Angeles, the first false alarm for permitted alarm users will cost them $216, escalating in $50 increments for subsequent false alarms.

While both PVM and third-party remote surveillance monitoring companies use smart analytics triggered by motion, PVM companies can typically verify or confirm an incident-in-progress faster, leading to shorter response times. While all motion-based video surveillance can be accidentally triggered by wildlife and other environmental factors, PVM companies are better equipped to process the incident as a false alarm quickly. When a real incident-in-progress triggers the system, highly-trained PVM specialists can also use this speed to verify the event and notify law enforcement and management faster than traditional third-party remote surveillance monitoring companies.

Unlike traditional methods of video monitoring which are prone to signaling false alarms, PVM can reduce false alarm frequency by verifying real actions through intelligent technology and the experience of highly-trained specialists. When necessary, PVM will immediately alert the responding police department and management after confirming the alert.

2.2

Alarm response

When employees or on-site security guards are tasked with monitoring the video surveillance system, the alarm response may depend on the training and protocols of the cannabis business. On-site monitors may be instructed to verify the event before contacting management and/or law enforcement, which could delay a response to an incident-in-progress.

Similarly, after motion triggers the video surveillance system, third-party remote monitors will visually confirm the event before alerting law enforcement and/or management of the cannabis business. Though on-site monitors and third-party remote monitoring companies are both successful at initiating an alarm should an incident occur, PVM companies can assist the cannabis business even further.

When contracting with a PVM company, cannabis businesses can customize their alarm response and set pre-determined protocols for the PVM company, depending on the situation and threat level. These protocols may include live auditory interventions, alerting management of the cannabis business, and notifying law enforcement depending on the incident.

Live auditory interventions conducted by a highly-trained intervention specialist are tailored to the situation and initiated as soon as a potential criminal enters a property. These interventions can deter loiterers and other potential criminals from proceeding further onto the premises. In 98% of cases, a live warning through an intervention specialist will stop criminals from proceeding.

PVM companies are unique from other video monitoring methods because they are able to monitor the incident throughout its progression. These companies monitor the live video surveillance until the premises have been properly secured, which aids management and law enforcement in responding to the incident and investigating the event after it has occurred.

2.3

Law enforcement dispatch

While on-site employees or security guards monitoring the property can physically intervene to prevent incidents like loitering and on-site consumption, it is not advised that they respond to potentially dangerous situations like a burglary. Criminals could be armed, and only law enforcement is equipped to handle these complicated and life-threatening scenarios. Security guards should be trained to investigate these incidents remotely, if possible, using the video surveillance system and notify law enforcement and management immediately.

While on-site monitors and third-party remote surveillance monitors are both able to notify law enforcement, the degree of information shared with the responding law enforcement officers can vary. These methods of video monitoring may simply alert dispatched law enforcement that there is an alarm triggered on the site without many details provided as to the nature of the alarm or the exact location on the property.

In businesses with PVM, when live auditory warnings do not deter potential criminals, the intervention specialist will contact management of the cannabis business or may alert law enforcement for dispatch directly. PVM not only initiates law enforcement dispatch but also provides law enforcement with more detailed information about the incident-in-progress than a standard video monitoring method could, which may include a description of individuals on site, their exact locations, and their actions on the premises in real-time. This description, plus intervention specialists viewing the live video feed until an incident is resolved, better ensures the safety of any employees or customers on-site and responding police officers.

Intervention specialists are trained to provide useful information and descriptive details about the incident to law enforcement responding to an incident-in-progress and conducting an investigation after a crime has occurred. It is vital to provide law enforcement with the information they need to safely apprehend an individual on the scene or after a crime, and PVM is the most efficient way to do this.

Compliance

3.1

Video monitoring

Cannabis businesses are subject to more intensive regulations than businesses in other industries. These regulations can vary depending on state or locality but often include requirements about video surveillance. Continuous monitoring is becoming a more common requirement, though the method of monitoring is typically not specified.

State or local issued regulations almost always include that the cannabis business must have some form of video monitoring to monitor access inside the facility and on the premises. In some areas, regulations require a contract with a licensed video monitoring company to guarantee 24/7 continuous monitoring, which can include third-party remote surveillance monitors or PVM. These regulations ensure the business has the proper video surveillance system, equipment, and monitoring to secure the premises.

In states like Massachusetts and California, regulations require that the utilized cameras can positively identify individuals on the premises. Regulations mandating that the video camera system identify people and license plates are common in both medical and adult-use cannabis markets. This function is necessary for cannabis business owners to remain compliant, but can also be a crucial feature in investigating a crime after it has occurred.

3.2

Installation and maintenance regulations

Regulations on video surveillance extend to installation and maintenance and sometimes require that an expert perform the installations. Many states and localities also have particular requirements on the specifications, placements, quality, and quantity of cameras installed at the facility.

Businesses that intend to use on-site monitors or remote third-party contractors can hire a general contractor to install their video surveillance system, but most PVM companies will have their own expert do the installation to ensure the system's success. Experts will be more experienced and less prone to installation errors and will have the necessary experience to properly place and angle cameras. This guarantees that there are no blind spots on the premises and the clear identification of people and vehicles.

Maintenance is another essential aspect of security for which many markets have specific requirements. States like California and Illinois have laws requiring regular maintenance and inspections of video surveillance systems. This prevents accidental deletion, theft, loss, destruction, or alteration to the recorded security footage.

It is also common for regulations to mandate that video surveillance systems come equipped with back-up batteries and a failure notification system. This prevents gaps in recorded video footage or video monitoring due to a technical problem or loss of power.

With PVM, this compliance is effortless. PVM systems conduct periodic health and maintenance checks of equipment. It can report any faults like cameras in need of repair or replacement, connection errors, or other issues that may prevent the continuous monitoring of the business. If the issue cannot be resolved remotely, a technical engineer from the PVM company can be dispatched to the property to resolve the problem.

3.3

Loitering prevention

Many cannabis markets also have regulations geared toward preventing loitering on the premises of the cannabis business, as this could lead to prohibited on-site consumption, vandalism, or other incidents. Regardless of the video monitoring method, the purpose of the response is always to remove loiterers from the property. On-site employees or security guards may ask that loiterers vacate the property and notify law enforcement if the loiterers refuse to cooperate.

States like Massachusetts and Illinois, among many others, have laws in place to prevent loitering and require everyone on-site at the cannabis business to have a regulated purpose for being there. Many sets of cannabis laws also require that employees and security guards do not loiter on the premises and vacate the property after their scheduled shifts.

It is also common for regulations to prohibit customers, patients, and caregivers from loitering at the business after completing a purchase to curb illicit on-site consumption. Loitering on the property, in the parking areas, or inside the facility is prevented at all times. Some localities in California even require the use of anti-loitering devices that project a high-pitch frequency to prevent people from remaining in the parking areas after a shift or purchase.

Additionally, businesses that have loiterers on the property may garner a negative reputation in the community. Allowing loitering on the property can signal to potential criminals that if loitering is permitted on the property, crime may also be possible or tolerated on the premises.

Modern retailers often prohibit loitering on their business property and utilize methods such as video monitoring, signage, security guards, and other security strategies to dissuade potential loiterers. It is possible that the combined efforts of businesses to prevent loitering has been successful, as the FBI reports that loitering arrests have decreased over 77% from 2010 to 2019.

Unlike traditional methods of video monitoring, a PVM system's live auditory interventions can be beneficial in preventing loitering even when no employees or security guards are on-site. These interventions can alert potential loiterers that the surveillance system is recording them, that loitering on the property is prohibited, and that they are required to exit the premises immediately.

3.4

Incident reporting

Reporting any incidents that occur to the governing regulatory authority is necessary for cannabis businesses to remain compliant. Businesses can also use incident reports to improve operations, for insurance purposes, and for law enforcement to conduct investigations.

In California and Michigan, regulations require that the cannabis business notify local law enforcement and the regulatory authority within 24 hours of a discrepancy in inventory, diversion, theft, or any other criminal activity. Failure to provide notification can result in fines, sanctions, or could lead to a revocation of the issued license.

The most effective way to compile an incident report is to combine images, video surveillance recordings, and a detailed explanation of the incident from all involved employees. After a crime or incident has occurred, these incident reports help improve the operations and security measures in place at the cannabis business.

While almost all methods of video monitoring offer some form of reporting after an incident has occurred, these are often time-consuming to generate and can leave gaps in the timeline of the incident. PVM companies can develop a complete, in-depth incident report in under 24-hours that creates a more thorough picture of the incident than reports produced by traditional monitoring methods. These PVM-produced incident reports are also more accessible and are viewable on both web and mobile devices. This makes it easy to share incident reports with regulatory authorities and law enforcement agencies.

Conclusion

Poor video monitoring systems and equipment can be a security threat for businesses and cause them to fall out of compliance. In addition, cannabis businesses with inadequate video monitoring are more prone to increases in loitering and crime. Since the cannabis industry is still relatively new, this can cause the community to perceive all cannabis businesses negatively.

Businesses are more protected from potential theft, diversion, and losses when they implement proper video monitoring systems and other compliant security devices. Though there are many options for video monitoring, the chosen monitoring method can influence the effectiveness of the cannabis business' security program.

Cannabis business owners are required to enlist monitoring services at their facilities, but the choice of which company to contract will likely impact the operations and security of the business. Owners should choose the most secure and efficient option for their property. Regardless of cannabis business type, contracting a PVM company that utilizes smart analytics, highly-trained specialists, and live auditory interventions is the most effective and cost-efficient choice.

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About Sapphire Risk Advisory Group

Sapphire Risk Advisory Group is the oldest national cannabis security consultancy in the United States. With over 100 years of combined experience analyzing crime and the tendencies of those who commit them, Sapphire has gained the necessary knowledge to identify security risks and help cannabis businesses prevent them. The consultants, technical writers, and designers at Sapphire have implemented cannabis security operations for businesses in 34 states (as of publication) and are engaged in emerging markets like New York and New Jersey. Clients ranging from MSOs to single-location delivery licensees will attest to the benefits of working with the Sapphire security team.

The security experts at Sapphire have extensive knowledge of advanced technologies in the cannabis industry and are equipped to implement comprehensive security programs in cannabis business applications, operations, and acquisitions. Having built out over 70 cannabis businesses in the last 8 years, Sapphire has seen firsthand what technologies are effective and which provide negligible return on investment.

Sapphire gives cannabis business applicants the edge they need to win competitive licenses and provides the necessary fractional security services to ensure the business remains secure long term. No matter the size or type of facility, Sapphire can save any cannabis facility time and money to secure your property within budget while meeting regulatory standards. Contact Sapphire today to see how we can design your security program to include advanced security measures like PVM to better protect your business and people.

Sapphire Risk Advisory Group is licensed by the Texas Department of Public Safety as a Security Consultant Company, license no. B07328001.

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About Netwatch

As the global leader in video monitoring services, Netwatch North America makes businesses safer and ensures continuity of operations. We pioneered the use of proactive video monitoring (PVM), providing our customers with intelligent remote video monitoring to proactively detect and prevent incidents before they begin.

As a trusted choice for the cannabis industry, our team stays ahead of changing laws and regulations, ensuring cannabis compliance for each state by providing customers with the tools and services to protect the complexities of each of their location types.

Our team of expertly trained intervention specialists based in our TMA Five Diamond certified and UL-listed monitoring centers, combined with our intelligent detection solution, delivers 24/7/365 protection, reducing the need to hire security guards while also improving the ability to monitor and respond to potential threats.

With over 80,000 crimes prevented to date, Netwatch's comprehensive and scalable security solutions set the standard in crime control and prevention. Netwatch North America's Proactive Video Monitoring expertise, business focus, and data-driven technologies provide the highest levels of safety and security, risk mitigation, and scalability to help improve and futureproofbusiness operations.

Email info@netwatchusa.com or call 1-866-459-1414 to speak with a Netwatch security expert and find out how we can help you solve your security problems.

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