



The Five Most Common Mistakes In Securing Your Cannabis Facility

Lessons learned that can
reduce your risk



FIVE MOST COMMON MISTAKES IN SECURING YOUR CANNABIS FACILITY

Although these last several years have seen a boom in cannabis legalization and expansion of facilities, from dispensaries to growhouses, the industry remains in a gray area, legally, financially, and, for the purposes of this paper, in terms of physical security.

While many organizations are dedicated to the expansion of cannabis business, and while many consultants endeavor to provide guidance for security measures, operators and designers can be overwhelmed by all the choices in securing a facility.

This absence becomes even more apparent when one considers salient risks and factors that make cannabis facilities a prime target for criminal behavior and code violations. First, the vast majority of cannabis dispensaries and recreational facilities are cash-intensive businesses, making it among those businesses far more susceptible to shrinkage and an attractive target for burglaries and robberies. Second, inventory and growhouse equipment carry a significant risk of flammability, intensifying the need for life safety code compliance, fire safety, and including clear and compliant means of egress. Finally, the inventory itself carries a high street value, further making it an attractive mark for criminal activity. And as these businesses exist in a legally gray area, they are not only closely examined for code violations – they are also often at a disadvantage in seeking redress or reimbursement for losses.

When these factors are taken together, it is clear that security, safety, and compliance should be more than an afterthought in this growing industry – these are key measures that ensure business continuity. Those measures begin at the door (and we mean that literally).

After more than a decade of working with cannabis security and engineering experts, inventing unique and proven locking solutions, and securing the doors of hundreds of cannabis facilities, five recurring challenges – mistakes – continue to stand out. This white paper will review these in detail. Keep in mind, just as each of these mistakes takes you one step closer to experiencing a devastating loss, making an effort to avoid them – and doing so correctly – will help lower that likelihood.





TOP 5 Most Common Mistakes

1. Not following codes and regulations
2. Poor perimeter security measures
3. Poor access control procedures
4. Poor intrusion protection
5. Poor operating processes and procedures

Making any of these five mistakes has the potential to put you and your business in jeopardy. While it is easy to avoid these mistakes, it's hard when you don't fully understand the principles of security that are particular to cannabis facilities. So to avoid calamity, keep in mind how these mistakes have surfaced within the industry, as well as the measures outlined to avoid them.

Not Following Codes & Regulations

Code compliance takes priority when preparing any facility for business. In the case of cannabis facilities, this is no exception. If anything, anecdotal evidence from our end users tells us that codes are more strictly enforced at cannabis facilities, and the penalties are steep. Therefore, it is understandable to get confused in the tangle of codes and regulations – city, state, federal, and beyond. A simple place to start is building a relationship with your local fire marshal and referring to local or state published resources to help guide you through what exactly needs to be done for your facility to adhere to code.

If you are in the construction, relocation, or expansion stages, make sure you work with reputable architects and contractors who have direct experience in cannabis facilities, as well as familiarity with local areas. For the materials and hardware you choose, it's as simple as reaching out to an experienced consultant or speaking directly with the manufacturer. You'll want to gain a sense of not only their experience in this field but also their willingness to work with unique needs and customizations that ensure compliance.

Failing to ensure code compliance could put your facility at risk of facing severe consequences. Said The consequences can range from legal, such as facing heavy fines and the possibility of seizure, or naturally occurring, like the structure being destroyed in a fire or windstorm.

In the case of fire prevention, certain features must be present in a facility before it is opened for business. These include sprinklers, fire alarms, exit lighting,

and other specialized electrical systems. It is also essential to work with your local or state fire marshal to make sure the fire protection features you have installed are catered especially to your facility's needs. All of these features must be put in place for your eventual Use of Occupancy inspection. You must pass this inspection before any steps can be taken to open your facility up for business. So to do so without delay, you should make sure that all these code-adherent features are present in your facility and in good working order.

It also helps to remember that regulations get more and more specific the more localized to the precise location of your facility you get. Thus, it is crucial that you take a look and read over not just federal and state regulations but also city regulations, regardless of where you are located. This will significantly reduce the chances of your business being fined or shut down for not running to code.

“It’s so very important that you work with your fire marshal so that it’s a smooth, seamless transition to opening up your business.”

-Brian Geraci
Maryland State Fire Marshal

Poor Perimeter Security Measures

With valuable inventory comes the risk of burglary. Intruders can range from the ham-fisted to the incredibly well-equipped, and with cannabis facilities increasingly becoming a target of organized crime, it is in your best interest to assume would-be burglars have come prepared. So it is vital that the proper perimeter security features are put in place for your facility to operate at its most secure. An excellent system to refer to when making sure your perimeter security suffices is a set of principles known as CPTED (pronounced "sep-ted") or Crime Prevention Through Environmental Design.

One such principle of CPTED is ensuring you have proper, long-lasting lighting throughout your facility. In doing so, be sure to avoid incandescent lighting, as it is not as long-lasting nor bright-burning and are fickle in their reliability. Fluorescent lighting is a better alternative, but we recommend you use LED lighting, as it is the longest-lasting option and gives off the most lumens, making it more likely to ward off intruders.

Another principle of CPTED is making sure your facility is built using the proper materials. Make sure that your walls are solidly built as they could be. Materials like drywall have very little structural integrity, making it almost too easy for intruders to simply break through them and enter a facility without using the proper entryway. If drywall is used to repair a wall, be sure to add additional reinforcements to prevent such an incident from occurring.

Securing all access points, while it may seem like a no-brainer, is still crucial to adhering to CPTED and promoting better perimeter security in general. Anything that grants entrants access to your facility, such as doors and extending to windows and roof maintenance trap doors, should have proper reinforcements.

It tremendously helps to properly secure your access points and source suitable materials for them. Windows, for instance, should be made from riot-proof glass in case of ramming or being struck with a projectile. Doors are best made of 16-gauge steel, providing optimal rigidity to your entryway. Pairing your entry doors with multipoint locks, (locks that operate secure the door to the frame just like as a bank vault door) has been shown to be the most effective to stop burglaries. Security planters and bollards also serve as a pleasant touch that can add to your curb appeal and provide better protection against burglars and looters.

"Your perimeter security is really all that stands between you and a catastrophic loss."

-Jeff Slotnick
President
Setracon, Inc.

Poor Access Control Procedures

It is estimated that about 12 percent of cannabis facilities will experience some form of inventory shrinkage, be it in cash or in product. One such study conducted by the Senate Committee on Banking, Housing, and Urban Affairs, found that cannabis facilities have a remarkable 1 in 2 chance of being broken into. That is a staggering statistic. While it isn't an inevitable outcome, the risk of burglary still exists, and so does the need to avoid it.

To help you avoid such risks, ensure that your facility is armed with rigid access control systems and procedures. One commonly found mistake in cannabis facilities' access control is keeping old doors for the sake of saving money, for example, or assuming that commercial locks provided by your landlord are sufficient. They simply are not, and Securitech has often come to the aid of assuring access control via proper locks and doors when a dispensary or greenhouse has relied on such myths.

Another access control mistake that is easily preventable is installing the wrong kinds of locking hardware on the wrong kinds of entryways. Here again we are reminded of the importance of code compliance. It helps to remember that hardware installed on emergency exits and egress doors and inventory doors must meet requirements and real-world challenges that differ drastically from no-special-knowledge hardware typically installed. While it may be a simple mistake to overlook this perhaps mundane factor at installation, being wary of the sophistication of burglars

and the significance of codes may pay dividends in the long run.

Saving extra dollars by keeping an old, less secure door or lock may wind up costing you thousands more in damages and losses that could have been prevented by upgrading to solutions customized for the cannabis industry. Further, proper access control procedures extend to employee access and inventory rooms, as mentioned above. This reduces the risk of shrinkage and even reduces the employee's personal risk in the case of a live robbery or assault. Access control, at its core, is the one thing that keeps an intruder, or even an employee, from posing a risk that could result in catastrophic shrinkage.



Poor Intrusion Protection



The way you organize your facility's security is important not only for the efficiency of your day-to-day operations but also in protecting your inventory from intruders when closed. Certain specifics you should follow may help you optimize your facility's intrusion protection.

One of the keys to intrusion protection and loss prevention is camera placement, and the presence of more than one camera in a facility, is paramount. If you position one extra camera within the frame of another's lens, should an intruder tamper with one, the other will catch the perpetrator and continue to capture footage.

Other hardware in your facility's intrusion protection system should include the proper mesh walls and fasteners, as well as TL-rated safes. TL-rated safes are crucial. They differ from gun safes in that they are able to endure more damage while maintaining integrity, much like a multipoint locking system. In addition, gun safes are vulnerable to fire and blasts, as well as some sophisticated cutting tools. The same does not apply to TL-rated safes, as they are able designed and listed by UL to withstand these circumstances.

“One of the biggest mistakes in the cannabis industry is the placement of your cameras.”

-Haley Glover
Senior Security Consultant
Sapphire Risk Advisory Group

Poor Processes & Procedures



An adequately secured cannabis facility is no good without a properly trained staff. If an operator fails to promote the proper workplace practices to ensure the highest level of security and care when handling a facility and its stock, the likelihood of shrinkage becomes ever more prevalent.

To promote this kind of environment, it is recommended to post the appropriate signage throughout the facility. These include posters meant to motivate workers and promote a better work ethic and life safety reminders to prevent workplace injury.

The correct procedures and processes must also be enforced, with operators constantly checking in to see if employees are following their steps properly. Refresher training sessions for both novice and established employees should also be given as a frequent reminder of how to do these procedures correctly.

Finally, it needs to be understood that, despite growing normalcy in the United States as a legitimate industry with an established customer base, cannabis is still a fledgling field. As such, there is still plenty of risk for missteps. You, as an operator, could serve as a walking target for internal shrink. Ensure that you are employing only the best, most ideal candidates to assist you in your operations. With a culture of honesty and accountability, employees will be vested in following the proper procedures and can be more easily trusted to handle your product with care.



Top Five Mistakes

Recap

To correctly keep a cannabis facility secure, all regulations must be met, proper perimeter security must be installed and maintained, the proper access control procedures must be kept up, the proper intrusion protection methods must be correctly put in place, and the right processes and procedures must be enforced and maintained through training and culture. If these steps are closely followed, you can expect to keep the likelihood of your facility experiencing

shrinkage and risk of burglary, loss, and hazard to a minimum. While not precisely following these rules may not guarantee a loss, running the risk is certainly not worth the devastation a chance occurrence could cause your business.

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