



Cannabusiness Security Regulations: How the States Stack Up

December 15, 2016 by Rebecca Cicarelli and Matt Gifford [1 Comment](#)

As anybody with multi-state cannabis operations can attest, security regulations are inconsistent state to state. Indeed, as individual states adopt legislation that legalizes either medical or recreational marijuana, they often seem intent on re-inventing the wheel. And some of those wheels are better than others in their ability to sustain the momentum of the industry... By better, we mean effective and defined. Ultimately, the real purpose of cannabis security is to protect the consumer, the community, the employees and the business-owner. State requirements must therefore support that purpose, and incorporate the mandates of Federal Regulation CFR 1301.72 – the DEA’s stance on Schedule I drugs like cannabis. Furthermore, in order to ensure full compliance, they must be clear and detailed so that applicants have a ‘blueprint’ to follow as they map out a security plan. Stringent and thoroughly calculated requirements need to be flushed out early in the licensing process. This is not something that can be done as well ‘later’ when the horse is out of the barn.

How the States Stack Up: Security Requirements

If we were to establish a “high bar” for the cannabis industry, it would likely be the State of Connecticut. Connecticut, unlike a number of regulatory predecessors in the Western market, instituted highly structured guidelines through the Department of Consumer Protection from the get-go. This includes well considered parameters for both dispensaries and producers; drilling down to details as minute as the font size on signage. The Connecticut DCP considers internal access rules, exception management and more in their security regulations. Here is the link to review: <https://eregulations.ct.gov/eRegsPortal/Browse/RCSA/%7B24D7E54F-7516-4C12-B49C-C3F50DDF2CDE%7D>.

What’s a “low bar”? The state that requires physical storage in a “sizable safe” or a “secure safe” leaves a lot to translation. Comparatively, if someone says you need a vehicle to haul something, do you think SUV or 18 wheeler? Per DEA requirements your safe MUST:

- Afford protection against surreptitious entry (30 man-minutes), forced entry (20 man-hours), lock manipulation (20 man-hours) and radiological techniques (20 man-hours)
- Accommodate an appropriately small quantity of product
- Be bolted or cemented in place if > 750 pounds

What about the state that requires alarm back-up notification via radio; a technology that has not been commercially utilized in decades. Or the state that had one dispensary resort to a steel enforced plywood door with a “good lock” because his questions about requirements remained unanswered. Regrettably, the list goes on and on.

To be fair, State agencies are new to this game. And they often don't have the personnel needed to really pick apart the intricacies of security as it applies to a Schedule I drug like cannabis. So what are you, the industry player to do? We recommend that you go high, even if they go low. Why?

Regulatory Trends and Projections

As the wave of cannabis legalization continues to wash over the nation, there are a few trends we see:

- States are slowly becoming more savvy and learning from the mistakes of others. Security regulations are therefore trending toward increased stringency.
- Some states are closing the barn doors. In other words, they are tightening up security regulations moving forward.
- If/when cannabis is rescheduled by the DEA, most agree it would prompt a shift from Schedule I to Schedule II. Security requirements would therefore remain unchanged.
- Many project that medical marijuana at least will ultimately become legalized at the national level “someday”. If so, consistent and strict security controls would immediately be imposed on all. This prompts the question: Is it better to spend less now and more in the long-run, or invest now and avoid a scramble?

How Security Plans Impact Licensing Approvals

At this point, one thing is clear. Next to a solid business plan, a well-crafted security plan is the most essential component of success when it comes to licensing approvals. This was confirmed by numerous speakers at the recent Marijuana Business Daily Crash Course in Las Vegas; a full day of industry education for incoming players. State assessments utilize a point system to determine who will secure a place on their list of licensed dispensaries or growers. Across the board, security is the area with the most points at stake, so it is critical to consult with an expert. But buyer beware.

We have seen submissions that have been low on substance and high on cost, with disappointing results. Not everybody who claims to be an expert is indeed equipped to help. This is one area where it is worth doing your homework and creating an alliance with a reputable and responsive security partner that can provide you with a detailed proposal and options to support your success. Check references. Even in a high security business, there will always be a past client willing to share their journey, so insist that you be provided with a contact. Vet, vet, vet.

Rebecca Cicarelli and Matt Gifford

Rebecca Cicarelli, Marketing and Business Development Director, CustomVault has an MBA from New York University and an extensive background in consumer marketing. Cicarelli has been a member of the CustomVault team since 2010. She applies her experience in new products and market development to the security business and specifically to the opportunity in medical marijuana. Matt Gifford, Director, CustomVault is a graduate of Loyola University Maryland, and a member of the CustomVault team since 1996, Gifford brings a consultative approach to the development of customized vault and security solutions for customers in the marijuana and pharmaceutical industries. Well-versed in applicable regulations; both federal and state, with extensive experience in security plan design, he partners with customers to ensure necessary approvals.