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2018 SECURITY ELECTRONICS CONTRACTORS REPORT

SEC list

ANNUAL SECURITY ELECTRONICS CONTRACTORS LIST

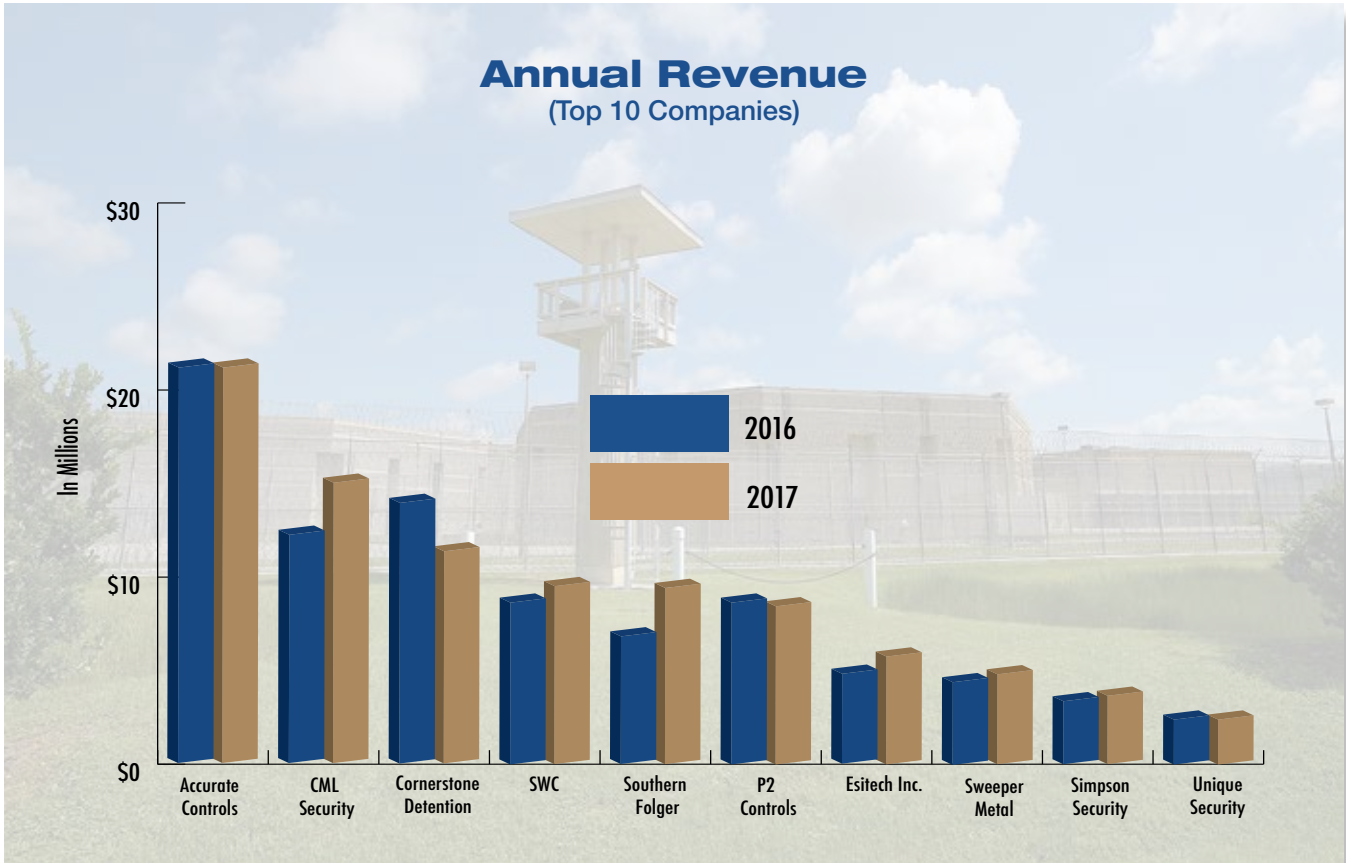|	Company	Contact	Geographic Area Covered	Annual Revenue	Largest Contract in Past Year	Value of Jobs Under Contract	Completed Projects in Past Year	Number of Employees	
Revenues $15 Million and Above	**Accurate Controls** Ripon, Wis. www.accuratecontrols.com	TJ Rogers 920.748.6603	U.S. & International	$22 million	$3 million	$41 million	39	72	**Revenues $15 Million and Above**
	CML Security Erie, Colo. www.cmlsecurity.us	J.J. Ramsey 303.704.6036	U.S.	$15.6 million	$4.5 million	$19 million	24	48	
Revenues $5.1 Million to $15 Million	**Cornerstone Detention** Madison, Ala. www.cornerstonedetention.com	Ken Fuller 334.286.4278	U.S. & International	$11.8 million	$7.7 million	$21.6 million	14	20	**Revenues $5.1 Million to $15 Million**
	South Western Communications Inc. (SWC) Decatur, Ala. www.swc.net	Rick Holmes 256.351.2445	U.S.	$9.9 million	$2.95 million	$13.85 million	20	30	
	Southern Folger Detention Equipment Company San Antonio, Texas www.southernfolger.com	Michael Chike 210.533.1231	U.S.	$9.8 million	$1.7 million	$11.8 million	21	19	
	P2 Controls Malvern, Pa. www.p2controls.com	Nicholas Carman 610.644.8300	U.S. & International	$8.8 million	$1.2 million	$5.6 million	24	16	
	Esitech Inc. Richmond, Va. www.esitechinc.com	Jeff Power 804.672.3223	Continental U.S.	$6 million	$1.3 million	$11 million	8	22	
Revenues $5 Million and Less	**Sweeper Metal Fabricators Corp.** Drumright, Okla. www.sweepermetal.com	John Schiffmacher 918.352.2133	U.S.	$5 million	$1.7 million	$6.2 million	16	12	**Revenues $5 Million and Less**
	Simpson Security Systems Inc. Alexandria, La. www.simpsonsecurity.com	Keith Simpson 318.443.3391	Southern U.S.	$3.8 million	$1 million	$1.8 million	16	60	
	Unique Security Inc. Montgomery, Ala. www.uniquesecurityinc.com	Gary Hart 334.239.8343	Eastern U.S. & International	$2.5 million	$465,000	$6.5 million	3	14	

The SEC List was compiled using information that was self-reported by the companies listed above; a bulk of the data for the 2018 SEC List is based on information collected from 2017 records.

Additional SECs

Argyle Security
San Antonio, Texas
www.argylesecurity.com

Justice Systems Corp.
Kent, Wash.
www.justicesys.com

Montgomery Technology Systems LLC
Greenville, Ala.
www.montgomerytechnology.com

STANLEY Security
Fishers, Ind.
www.stanleycorrectionalservices.com

* Additional SECs include SEC companies that did not provide information for the 2018 SEC List.

Value of Current Jobs Under Contract

1	Accurate Controls	$41 million
2	Cornerstone Detention	$21.6 million
3	CML Security	$19 million
4	SWC	$13.85 million
5	Southern Folger	$11.8 million

Largest Contract in Past Year

1	Cornerstone Detention	$7.7 million
2	CML Security	$4.5 million
3	Accurate Controls	$3 million
4	SWC	$2.95 million
5	Southern Folger & Sweeper Metal	$1.7 million

Annual Revenue
(Top 10 Companies)

In Millions

Legend:
- 2016
- 2017

Categories: Accurate Controls, CML Security, Cornerstone Detention, SWC, Southern Folger, P2 Controls, Esitech Inc., Sweeper Metal, Simpson Security, Unique Security

*Bulk of data for 2018 SEC List is based on information collected from 2017 records.

Rochon   Simpson   Verch Jr.   Chike

How New Technologies Are Changing the SEC Market

By Jessie Fetterling & Daedalus Howell

With new technologies consistently becoming available, the security electronics market is always evolving. Correctional News spoke with Donald Rochon, executive vice president for the Warranty Service & Supply Group of Cornerstone Detention; Keith Simpson, president and CEO of Simpson Security Systems Inc.; DuWayne Verch Jr., vice president of operations at Accurate Controls; and Michael Chike, director of the Security Electronics Division for Southern Folger Detention Equipment Company, about this evolution and what facility managers can expect from security electronics contractors (SECs) in the coming years.

Q: *What trends do you see emerging in the corrections space regarding security electronics?*

Rochon: In the old days (I've been doing this for 48 years, visiting 519 facilities), we would install a system, it would run for years and the maintenance staff could service it without much training. Over the past several years, the IP/IT world has evolved security electronics into a complicated configuration that requires advanced training for a facility staff maintenance person. Plug-and-play or hot-swappable devices are emerging, and while we are doing more with less, the KISS [Keep It Simple, Stupid] method is trending back.

Simpson: All systems are becoming all IP based and seeing more PLC specifications. The owners do not want proprietary systems. Most owners want more choices for service, and with proprietary systems, they are limited to whom can service them. We are seeing that the owner desires open platform PLC and HMI, so they can have choices when additions are done and when not, if changes are to be made to the program application. In a proprietary-type system, the owner has to use that supplier.

Verch Jr.: Every correctional facility either is budgeting for or already has an IP video system either to improve security or because of Prison Rape Elimination Act (PREA) concerns. Since IP video is now the standard, the following trends are emerging:

Panoramic/360-degree cameras are being used much more frequently. Audio recordings of cameras increase each year. The resolution of cameras increases each year. Camera storage retention increases each year. IP video systems are being installed as part of the facility network, which requires close coordination between the security contractor and the facility IT staff. All of the above items force IP video networks to become much more complicated to set up and maintain.

Chike: Currently, the biggest trend I see is the growth of IP technology in jails. There is a significant increase in facilities' demand for edge devices, which enhance interconnectivity amongst various systems. This provides system owners with deeper integration stretching beyond just camera systems and all the way to creating a unified system where all devices are directly connected to the edge (thus eliminating the need for third-party integration applications). It is a concept very similar to the Internet of Things (IoT) concept but on an air-gapped network.

Q: *What precautions can be taken to ensure that security electronics aren't hackable or aren't being manipulated by inmates or staff — in short, who's watching the watchmen?*

Rochon: First and foremost, best practices are to have a closed private network that is not connected to the World Wide Web, with a distinctive separation of video and all other IP-based systems. Second, is the use of security screws or other tamper-proof means such as ventilated locked enclosures for the computers and equipment cabinets/racks, and finally, the

disabling of DVD, USB and serial ports.

Simpson: Signal locators and jammers for cellphones are key technologies that facility managers can use to better support their security electronics. This is moving and changing very fast and some laws do not allow it, but as the problem grows with contraband cellphones, technology is being developed to combat it.

Verch Jr.: Three precautions are necessary. The first precaution is to keep the security electronics (door control and intercom) network separate from the IP video network. The second precaution is to remove the keyboard from the control stations and lock the computers away so that a keyboard cannot be plugged into them, which eliminates the ability of hacking by inmates or staff on the control stations. The third precaution is to install a firewall to prevent outside computers from gaining access to the security electronics network.

Chike: The commonly held belief in security is that nothing is ever completely secure; however, steps are taken to increase security posturing and limit vulnerabilities. Administrative steps such as employing Standard Operating Procedures (SOP) that require regular system checks and an overall increase in employee awareness of system security are strong measures that help reduce vulnerabilities. On the technical side, introducing an appropriate IDS (Intrusion Detection System), regularly reviewing access logs for anomalies, performing regular system audits to monitor overall system activity (and confirm the absence of network intruders/ malware), performing periodic structured comprehensive security assessments and finally ensuring that all critical systems are on an air- gapped network [also help with security]. These are all steps that will pay dividends in limiting exposure to the risks of system compromise.

Q: *Does your firm use proprietary or nonproprietary technology, and why?*

Rochon: Cornerstone, 90 percent of the time, uses standard off-the-shelf nonproprietary products that have become detention industry standards driven by the owners, design professionals and a proven track record of reliable performance. We retain our clients through best-in-class customer service, pricing and not proprietary (you can only buy it from me) products. Equally important, proprietary

products do not always keep up with the latest OS operating versions or other improvements that could benefit the client.

Simpson: We use nonproprietary equipment due to most specifications, which are all software based and must be licensed through the owner. Most if not all A/Es accept nonproprietary applications.

Verch Jr.: Accurate Controls uses nonproprietary technology because this allows our customers to troubleshoot and maintain our systems after they are installed. Our customers can choose whether they want to continue their relationship with us based on our performance, whereas companies that use proprietary technology basically force their customers to sign a service

agreement simply because no one else can help them. [Using nonproprietary technology] isn't the most profitable way to do business, but it is the right way.

Chike: We primarily use nonproprietary technology. This is strategically done to provide the end user with total control over scalability, system upgrades and expansions. Proprietary technology introduces exclusivity and can

> "The biggest trend I see is the growth of IP technology in jails."

limit such options for our clients.

Q: *What technological advances are on the horizon for security electronics?*

Rochon: I would suspect that would include the advances of inmate or staff tracking, facial recognition software, megapixel or panoramic cameras, inmate health monitoring, IoT of common devices, drone detection, retrofit locking hardware and lower-cost fiber-optic/ secure Wi-Fi communication. Thin clients and all-in-one computers will also advance replacing the traditional PC workstations. Progress is being made on extending the 100-meter limitation of Ethernet runs without remote modules.

Simpson: All systems are already bundled under low voltage, and we see

CCTV as adding extended protection with the use of software. With the use of analytics, CCTV protection is becoming more cost efficient where now you can get an alarm from a camera with simple pixel change.

Verch Jr.: From a technological standpoint, IP video advances will continue each year. Video analytics will improve to the point where they become an integral part of the security system. Touchscreen technology will advance to the point where touchscreen monitors will be replaced by touch walls or touch desks. IP audio systems will become the standard rather than the exception.

> "This ever-changing world of electronics is allowing facilities to cost-effectively improve their operations."

Chike: The new smart lock by Southern Folger will be the industry's first smart detention-grade lock. It is also an edge device powered over the Ethernet. I truly consider this to be a huge addition to the industry from a security electronics standpoint. It is an ONVIF-compliant lock with the capability to seamlessly integrate with video and access control systems,

increasing safety and security with its smart features as well as reducing construction cost based on its network capabilities.

Q: *Given a long view of the industry, where will security electronics be in the next five to 10 years?*

Rochon: This ever-changing world of electronics is allowing facilities to cost-effectively improve their operations, better protect or safeguard their staff, comply with PREA requirements and do more with less. [It also allows] for automation of operational tasks, such as an incident video display that brings up a camera viewing the area that also brings up a looping "prior 30 seconds" of the same camera so the operator can quickly see what happened, what caused the duress alarm or door breach and who did it.

Simpson: I predict we'll see more touchscreen wireless controls and audio as well as all IP-based and more CCTV and perimeter enhanced systems. The perimeter systems are also becoming IP based, and the technology is geared towards the reduction of false alarms on a fence or border.

Verch Jr.: I see continued growth for security electronics in the corrections market for the next several years. There are many new facilities being planned for, and there are many upgrade/replacement projects for antiquated systems forthcoming. It will be crucial for owners to get involved with the selection of their security electronics contractor to ensure that they are getting a system that will last 20 years and not be charged an expensive service agreement to maintain.

Chike: I firmly believe we are headed towards more network-based systems; it will be all about edge-based devices and about getting all security electronic devices on the edge. This would enhance the use of data collection, aggregation and analytic tools for security systems in correctional facilities. ■

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The Latest in the Evolving SEC Market

By Keith Thoene

The past year has been a challenging but rewarding year for our community. We have all faced the excitement that comes with a strong economy and tax revenue stream, but have also faced the daily challenges finding and keeping good people and families, which allow us to get this work done in a professional manner. This coupled with the fact that technology consistently changes faster

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than corrections and/or staff can keep up with it has kept up the excitement and energy at our firm as we brainstorm on new and effective ways to deal with these ever-changing obstacles.

In terms of new tech, some of the most interesting trends are emerging on how institutions are coming up with new ideas for old problems. Cellphones have and will continue to be a major issue inside of any long-term housing facility. Because facilities are not allowed to use cellphone jamming technology, most have relied on shakedowns to find contraband. More recently, there has been a push to accept and implement Manage Access Systems (MAS), which route

calls through a system that mimics a cell tower, used in conjunction with portable or stationary ferromagnetic or radio frequency detectors. Like any solution, it has limitations and is only effective through the active management of the administrators managing the system. Due to the severity of this contraband problem, we see more and more budgeted money set aside to deal with the issue and only see this market sector growing in complexity.

Another trending threat that continues to plague correctional facilities is the increased use of drones as a method of bringing contraband into facilities. There have been documented cases of deliveries not only from above, but also delivered directly to open vertical windows through rec yard screens. The solutions to this growing problem are emerging and not always fully vetted, but there seems to be traction with a couple different solutions.

The first solution is sound detection units that focus on the particular noise generated by the propeller and motors from the average drone. If proven, this method seems like the most cost-effective way to add security devices off of an existing PLC-driven security system. Other technologies for drone detection are focusing on the detection of the radio frequencies used to control drones. Both methods of detection have only been tested in real-life environments over the past couple of years, and time will tell how effective they are. That said, there are six-figure budget allocations happening across the country to study and address the drone problem, so the technology will progress at lighting speed.

The increased reliance on video in correctional facilities continues to grow in all areas. We are seeing more and more cameras per square foot and also seeing the expectations for the quality

and length of video retention increasing. While this is probably to be expected, one of the more interesting trends concerning video is the integration of body cameras into the local video retention policies at correctional facilities. The main focus of the use of these body cameras is to bolster cases and deter false claims or curb aggressive behavior on the part of both correctional officers and inmates. But the privacy debate surrounding police body cameras also surfaces in jails despite the lower expectation of freedom or privacy. Many facilities are starting to integrate these devices through the emergency response teams only. Unlike the officers who patrol the detention centers' housing units and interact with inmates every day, the emergency response team typically only deals with urgent situations such as fights, out-of-control detainees or medical emergencies and suicide attempts. This technology has its flaws; it can be very hard to capture a focused image through a device attached to loose clothing. But the thought process is that typically there are multiple responders, so four-to-eight camera views provide a well-rounded archive of events from many different viewpoints.

These are just a few of the most recent trends in our industry. This year is shaping up to be another challenging yet exciting one, as we tackle these and other needs for our clients. We look forward to seeing how the industry as a whole continues to grow and develop technology to adapt to a rapidly changing environment.

Keith Thoene is president of Erie, Colo.-headquartered CML Security.