A private surveillance network is spreading across S.F. Here's who's behind it.

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Neighborhood business groups throughout San Francisco are getting on board with a new model for fighting crime that updates the idea of neighborhood watch.

After a wave a smash-and-grab burglaries crested in 2017, more local groups have begun purchasing their own surveillance equipment. Now, through donations from a San Francisco cryptocurrency mogul and
others, a web of surveillance has grown to the point where it is utilized daily by police and businesses alike.

What started as six cameras in a 2012 pilot program with the Union Square Business Improvement District has now grown to 1,000 cameras across seven separate community benefit districts (CBDs) and other groups citywide with one company servicing all the contracts: San Francisco-based Applied Video Solutions (AVS).

AVS is a video systems integration and engineering firm with a team of experts in physical security, video surveillance, network security and law enforcement. The company now serves more than 100 buildings in San Francisco and has installed cameras in Union Square, Russian Hill, the Tenderloin, Fisherman's Wharf, Polk Gulch and Japantown.

“Private security is the way to go,” AVS founder and CEO Dmitri Shimolin told the Business Times. “No video, no case. That’s the reality.”

Originally from Novosibirsk in Siberia, Shimolin moved to San Francisco in the 1990s and earned a degree in finance at the University of San Francisco before founding AVS in 2002 in the same Mission district office it sits in today. AVS’ local profile has now grown to include 1,000 cameras, 50 blocks of surveillance, 1 petabyte of storage and 1,200 video retrievals per year.
Keeping with privacy concerns of city officials, AVS does not use facial recognition software and does not record sound. It also warehouses video for an average of 30 days, not indefinitely.

But while AVS has been the exclusive builder of the camera systems, it’s not the financier; CBDs still needed money to pay AVS. Enter cryptocurrency mogul Chris Larsen, executive chairman and founder of Ripple. As an 18-year resident of Russian Hill, Larsen, who recently made a high-profile cryptocurrency gift to San Francisco State University — was frustrated over ongoing car burglaries in his neighborhood, so he met with the District Attorney and talked about solutions.

“It’s about 100 people who are the problem — these are not homeless people — these are professional crews. The video evidence is really what’s needed,” Larsen told the Business Times. “Neighbors really want it, the problem is without a neighborhood group, who is going to
do it?”

So Larsen saw the writing on the wall and got his checkbook in hand. He gave $400,000 to his own Russian Hill Neighbors to start their program, $750,000 to the Tenderloin CBD, $750,000 to the Japantown CBD, $200,000 to the Union Square Business Improvement District and $200,000 to SF SAFE, a city-led effort aimed at security in areas not serviced by CBD, business and neighborhood groups.

For the Japantown CBD, when Grace Horikiri came in as the new executive director in May 2018, the city’s Office of Economic Workforce and Development soon contacted her to tell her that Larsen had donated $750,000 to create their camera program.

“We were just floored because that was something we could have never done with our budget,” Horikiri told the Business Times.

Since starting with placement last December, Horikiri said the Japantown CBD has so far spent more than $500,000 on the cameras and now has a total of 125 in Japantown serving the more than 100 business in the CBD.

She said her office has virtually been transformed into a control room from which she often fields requests from law enforcement officials and
businesses to pull footage. Horikiri said she also uses the recordings as a tool to see at what needs cleaning throughout the neighborhood. She said the next step in the camera program will be looking for more partners near the neighborhood such as senior homes, condos, churches and the St. Francis co-op.

Karin Flood, executive director of the Union Square Business Improvement District, whose camera program was propped up by more than $2 million donated from the Silicon Valley Community Foundation, said her group's relationship with AVS is moving ahead with the $200,000 gift from Larsen, about two thirds of which has already been spent.

"We had a meeting with him in his office and basically at the end he was writing us a check," Flood said.

Starting in January, Flood said the Union Square BID will roll out a 24-hour video system in its control room. "We are ramping up operations," she said. "There are a lot of crazy things that happen at night."

CBDs that haven't received money from Larsen have found other sources to get in on the camera program. For example, the Fisherman's Wharf CBD paid AVS $50,000-$60,000 to install 24 cameras within the past year with money from its own coffers, according to Executive Director Randall Scott, who previously worked
with Flood on Union Square’s camera system.

The Lower Polk CBD recently spent between $20,000 and $30,000 for a 16-camera system it bought with a grant from CPMC Sutter Health, which just opened a new hospital in the neighborhood, said Christian Martin, executive director of the Lower Polk CBD.

“The police come once a month to retrieve footage – anything from fights to stabbings to assaults have been captured on their system,” Martin told the Business Times, adding that the cameras are not monitored continuously. “Sometimes even defense attorneys have subpoenaed our footage. And it doesn’t lie – it is what it is.”

The Public Defender's Office told the Business Times that its investigators mostly deal with the Union Square BID and Tenderloin BID and find it very straightforward and professional to request video without a subpoena.

“Video can help or hurt our clients, depending on the footage, but knowing one way or the other makes the video invaluable, allowing us to make educated decisions on how to proceed on a case-by-case basis,” Valerie Ibarra, public information officer for the Public Defenders Office, told the Business Times. “However, the growing prevalence of surveillance does raise serious
concerns for some who worry that it threatens civil liberties.”

Larsen, who is also well-known privacy activist, said such programs walk a fine line and that the concerns of the public must always be kept in mind.

“S.F. is a complicated community. There are a lot of viewpoints that need to be reconciled, especially with tech like this that might sound scary,” Larsen said. “You should be skeptical all the time, but this seems like the best combination.”

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