

FLOCK SAFETY COMMERCIAL ANALYSIS & CONTRACT CANCELLATIONS: A REPORT SUMMARY

EXECUTIVE SUMMARY: RISING CANCELLATIONS ACROSS THE NETWORK

- Contract attrition accelerates through 2026, affecting jurisdictions in at least 23 states.



Four categories of exposure drive cancellations: unauthorized federal data sharing, accuracy failures (e.g., LAPD OIG finding of 32.3% false positives in July 2026), community opposition, and vendor conduct disputes in MA & TX.

1. UNAUTHORIZED FEDERAL DATA SHARING (ILLINOIS & CALIFORNIA)

- Illinois Secretary of State audit: Flock system allowed unauthorized US Customs & Border Protection queries
- California class action: National architecture enabled 1.6M SFPD searches by out-of-state/fed agencies, violating ALPR Privacy Act.



2. ALERT SYSTEM ACCURACY FAILURES (LOS ANGELES)

- LAPD Office of Inspector General audit (July 2026) sampled 498 alerts.
- Result: 161 false positives, a 32.3% error rate exposing drivers to risk.
- Commercial Risk: Loss of key municipal contracts & reputational damage.

FLOCK ALERTS (LAPD SAMPLE)	
Total Audited: 4998	
Total Audited: 498	
Correct:	337 (67.7%)
False Positive:	161 (32.3%)



3. PRIVACY & CIVIL LIBERTIES OPPOSITION

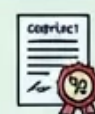
- Network effects create "exposed surface" for political backlash.
- Example: Dayton, Ohio suspended program and covered cameras after unauthorized query discovery.



Political cost outweighs crime-solving benefit.

4. VENDOR CONDUCT & CONTRACT DISPUTES (LITTLETON, MA & GUADALUPE, TX)

- Littleton, MA: Flock reactivated disabled cameras without town permission.
- Guadalupe County, TX: Vandalism liability dispute led to contract termination.
- New Hanover County, NC: Partial cancellation & refund request (\$53K+).

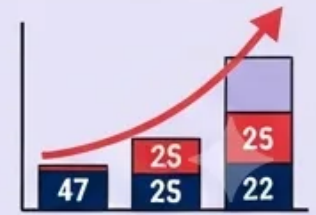


Disputes trace to specific terms: vandalism risk, vandalism risk, reactivation authority, billing.

5. CAPITAL POSITION VS. MARKET SHRINKAGE



- Raised \$275M in March 2025, valued at \$7.5B, directing capital to manufacturing & drones.
- ARR grew 70% YOY, but cancellations accelerate.
- Market tracker (Sep 2026): At least 47 canceled, 25 rejected, 22 deactivated.



SOURCE MATERIAL: Audit findings (LAPD OIG, Illinois SOS), Litigation (Javorsky v. Flock), Company announcements, Local government records (TX, MA, NC), Market trackers. Accessed September 2026.