

## **Transcript of NCSC Podcast with Andrew Coffey:**

*Transcribed by Claire Zeldis*

Matt Halvorsen: We at the National Counterintelligence and Security Center or NCSC, in the Supply Chain and Cyber Directorate, decided to begin a series of audio interviews with experts and practitioners from government, industry, research, and academia to add to our robust outreach effort. These interviews and outreach efforts are designed to help reduce threats to key U.S. supply chains and prevent foreign attempts to compromise the integrity, trustworthiness, and authenticity of products and services purchased and integrated into the operations of the United States. The exploitation of key U.S. supply chains by foreign adversaries, especially, when executed in concert with cyber intrusions and insider threat activities, represents a complex and growing threat to strategically important U.S. economic sectors and critical infrastructure. My name is Matthew Halverson, the Strategic Program Manager for the Supply Chain and Cyber Directorate. I will be conducting the interviews. It is our hope that this series of interviews will help educate people to the supply chain threats and we hope it highlights the efforts of many to help mitigate these threats. We are using COVID protocols, and as such, these interviews will be conducted using teleconference software. Please excuse any audio quality challenges. Thanks again for listening in.

Matt Halvorsen: Today, we have with us, Andrew Coffey. He is a Deputy Director with The High Intensity Drug Trafficking Area (HIDTA) Program at the Office of National Drug Control Policy (ONDCP). He oversees a number of portfolios to include policy development, intelligence and information sharing, and performance management. Prior to joining the ONDCP, he held various positions in the private sector, advising clients around the globe on security and risk management. He holds a doctorate in public administration and policy from Virginia Tech and a bachelor's degree from Radford University. From 2016 to 2017, he was a senior fellow with the George Washington University Center for Cyber and Homeland Security. Thanks for joining us today, Andrew.

Andrew Coffey: Yeah, thanks for the invite. It is always a pleasure to talk to you.

Matt Halvorsen: So, for those of us listening to the podcast, right who may not know. Can you give us a brief description of the role of ONDCP?

Andrew Coffey: Yeah, sure, so The Office of National Drug Control Policy was established in 1988, and it falls under the executive office of the president. So, we are one of the policy cops that's part of the White House infrastructure. Some of your listeners may not be familiar with the term "Drug Czar," so that is the senior advisor on drug policy matters for an administration and the person whom I report up to. We have a series of budget authorities that develop the national

control strategy for every administration that guides the whole government approach to tackling drug problems around the country, such as the opioid crisis, certainly not limited to that. A lot of our work requires reaching across the federal government on a day to day basis, which is a core aspect of what we do to ensure that we are all working towards the same goals that deal with drug trafficking and some of the public health issues that are affecting the entire country.

Matt Halvorsen: Now, where do you fit within all of that?

Andrew Coffey: So, within ONDCP is the HIDTA program, The High Intensity Drug Trafficking Areas program, and I am one of the deputy directors with HIDTA. HIDTA is a grant program that was baked right into ONDCP when it was established in the late 1980s. It's a mechanism for where the drugs are, to be able to identify areas in the country that are literal hotspots for drug trafficking activity and money laundering activity, and, once those areas are designated, they are then eligible for federal resources, in the form of grant funds. Our real mission is to support and facilitate the work of multi-agency task forces investigating drug trafficking organizations, and, by multi-agency, we mean task forces that have federal law enforcement participation, as well as state or local, or tribal participation to make sure that agencies across levels of government can work closely together and are able to marshal their resources where it will have the most effect when they are investigating drug trafficking and money laundering crime across the country. There are thirty-three designated areas across the country. There is also an intelligence and information sharing component that we have as well. Those thirty-three HIDTAs oversees about sixty investigative support centers that provide intelligence support to the task force and do a lot of the information-sharing work that congress expects us to do, so that is another aspect of the program that I work pretty closely with.

Matt Halvorsen: So, that's a pretty broad and big mission right there. How did you get started in this role?

Andrew Coffey: Well [chuckles], when I was in graduate school, I was looking for a dissertation topic, like all graduate students, and found a population that was only resetting it happened to be the state and local Fusion Centers set up after 9/11. In doing that work and researching that community, I ended up coming across a HIDTA program because HIDTAs and these state/local Fusion Centers often work closely together. So, I was presenting my research and someone in the audience happened to be from ONDCP and worked with the HIDTA program and I have been there ever since. I have been there for five years.

Matt Halvorsen: Now, as we look into ONDCP, I'm curious, what other offices or government agencies you guys work with?

Andrew Coffey: Well, it really runs the boards. All of the federal and law enforcement agencies will have liaisons in our office so, there is a direct line of communication from our front office to those agencies' headquarters. There are a number of agencies that touch the public health realm and will have individuals from those agencies who also sit in our office and work with us, and then by virtue of working with the HIDTA program that is an avenue for reaching out and collaborating with state/local agencies who literally are across the entire country so, it is a pretty wide....

Matt Halvorsen: So, Andrew, ONDCP, and NCSC in the Supply Chain Directorate, I mean, we really began working together based on one of the specific programs that you guys have. Could you talk more specifically and give us an introduction to the HIDTA program- what it is, what it does, and how long that's been around?

Andrew Coffey: Sure, so the HIDTA program has been in place since the ONDCP was first created, in the late 1980s. The HIDTA program consists of thirty-three areas across the country that are designated as High Intensity Drug Trafficking Areas, or locations on the map where there is a real concentration of drug trafficking activity and potentially money laundering-we will say money laundering activity as well. So, once those areas are designated, then federal resources can flow through the HIDTA program to those regions and support multi-agency task forces that are doing investigative work into the drug trafficking organizations operating in those areas. When an area is designated, they receive funding through the grant stream, but there is also some infrastructure that is put in play: there's a local HIDTA team that manages the flow of funding, there is a director that oversees that- that director answers to an executive board that is made up of local officials and law enforcement officials in that area, and that consists of senior federal law enforcement officials in that area as well as state/local agencies. They make decisions about how that money is allocated and what it goes towards in their particular designated area so, that relationship is pretty critical because they are telling us what they need at the local level, and as long as that is in line with the condition of the grant and the rules that are in place for dispersing those funds, they can have access to that and, they can make a real difference in what they are able to do to tackle those drug trafficking treads in that area.

Matt Halvorsen: So, Andrew, one of the things that we like to talk about here, and comes up a lot, is the National Defense Authorization Act (NDAA) of 2019 Section 889. As a refresher for folks, it prohibits federal agencies from procuring or obtaining telecommunications equipment or services and video equipment or services involving certain Chinese companies; further, federal agencies cannot contract with other companies that have equipment or services from these prohibited Chinese companies in their corporate supply chain. HIDTA really identified this as an issue very early on. Can you explain to us you know why this became an issue for HIDTA?

Andrew Coffey: Yeah, sure so, there are a couple of reasons why this was something we jumped on right out of the gate and, I have to say upfront, a little bit of credit to our inter-agency partners, we had been invited to a series of briefings about supply chain threats. And that was not just limited not to the federal government; it expended threats that might also apply to state and local governments. Because we rely so much on a partnership with state and local entities, it was really critical for us to kind of be forward-thinking about this issue [the law] and, to try to understand how it might impact a lot of our key partners at the HIDTA level. I would say having that initial awareness of this issue, and some intelligence of the nature and scope of the threat, was critical and it helped us to understand the complexities of the challenge, but also understand that this could have some far-reaching impacts if we did not act quickly. One other aspect is that our programs were already going through a series of really important changes that have been headed up or envisioned by the national HIDTA director, who I report to, and because we were already in that mode it was a little bit easier for us to quickly transition and incorporate NDAA compliance and NDAA requirements into the overhaul that we were already doing. So, the timing could not have been better from the perspective. And then the other- A couple of other aspects that lead to a federal grant program: because we are a federal grant program, we know how tricky some of them and how they can have a ripple effect on agencies that are receiving the grant funds, and local agencies might have its own vendor or its own contracts structure, its own process for acquiring things and then layered on top of that will be the federal rules that come with HIDTA funding. So, we have been through that drill enough: when new regulations are released and, we have had to integrate those and make those workable for all the different agencies that are receiving the funding and putting it to good use. So, that was another part of this for us. We understood that the implications of that law would have a series of financial repercussions at the local level. And I will give you a quick example of that: with the way our program is set up, a lot of our grant funds flow to a state and local agency through a reimbursement process and this just allows us to get the money out the door quickly and, it allows them to go ahead and make purchases and acquisitions that are critical to their mission in solving the local drug trafficking tread because it's a reimbursement process, that means that there can be acquisitions that are made and if we have regulations that come behind those acquisitions in their retroactive, which in this case the NDAA requirements were retroactive, we could potentially be buying the same equipment twice, if the initial acquisition was made for something that was not compliant with the law. So that is why it was critical for us to move quickly and make sure that we implemented as many new requirements, that we issue good guidance to the higher community right away so that we wouldn't be dealing with reimbursements for things over a 1-2 year period. So, that is a little insight into how we have to handle and manage these types of things, as a grant program, and just allows us to move quickly.

Matt Halvorsen: So, with that moving quickly, where did you start first? How did you start to address the issue?

Andrew Coffey: Well, you know, right out of the gate, we went to our network. So the ONDCP works really closely with the inter-agencies, a number of different federal agencies, and we were able to reach out quickly to see if anyone else has taken additional steps to address this. We work really closely with ODNI and NCSC, obviously, and drew from their experience/expertise on some of the threat pictures, but we also realized very quickly that we were doing a lot of this from scratch. There weren't a lot of templates/resources that we could draw from. So, our own team, our finance unit, was able to do some research on what the law actually said and help us interpret what some of the ramifications were going to be for HIDTA. And then we really quickly tapped the HIDTA program. As a grant program, the HIDTA management teams- each of these 33 regions-have got folks that understand the financial pieces and team professionals to understand implications that they are trying to source hardware and software what rules and provisions apply to this. They were able to provide insight and all the way down to the task force- the folks that are making the request for new technologies or tools that can help them in their investigations. We gathered as much info as we could and, then we mapped a process that would allow us to quickly understand the implication for our current inventory- all the equipment that we have used the grant funds to purchase. We wanted to understand if we were going to be compliant with the law based on what we already owned. And then the second piece of that was to come up with some guidelines, even things as simple as checklists for folks purchasing equipment with the grant funds to make sure that they are purchasing things that are allowable under federal law- under NDAA. I think that was really the key for us; having a network of folks that we could tap and having the relationships already in place to be able to do that, understanding what the implications would be from a legal standpoint/ from a practical standpoint. We searched our inventory and identified- we actually found items that were prohibited under the NDAA so those items had to be removed/decommissioned. There are certain rules and regulations that apply to doing that so we had to do it constituent with those rules. And, I would say the last piece or the most important one was the forward-looking aspect. We might be able to scrub out inventory today, but in the next thirty days, the next three years, what kind of procedures do we put in place, and what kind of guidance can we give to the HIDTA community so that we are not purchasing things that we are going to have to replace down the road because of this particular issue. So, that was our approach. That is how we navigated it, and I have to give a shout out to the HIDTA teams who did a really exceptional job of responding quickly and they did a lot of work themselves to identify areas where they needed to make a change in their procurement process or the way that they did the acquisitions and also looking within their own inventories and identifying things that might be vulnerable. In many cases, they went beyond just the letter of the law and went for the spirit of the law across the board in identifying areas that they might be vulnerable. They were very quick to respond and react, and that made a big difference.

Matt Halvorsen: Alright, so now I've got a couple of questions that are kind of self-reflective. So the first ones are of the policies that HIDTA enacted; how they have been received, and while it is still early, can you discern any successes yet?

Andrew Coffey: In terms of what we have learned, very early in the process, because we had an established inventory program in place, we were able to do that initial scrub very quickly and identify if there were equipment or services in our inventories that were no longer compliant with the law. So the initial piece can be done very quickly and, that really fell to the HIDTA, themselves, to do that initial check. I have to say that even though we did encounter some pieces of equipment that were noncompliant with section 889 and had to be removed, for the most part, we were able to have a fairly high level of confidence that our inventory was okay. What became more challenging, and I think what we learned and are continuing to understand is that there were other pieces of equipment or other technologies that the HIDTAs really relied on that may have not been prohibited by the law but, were produced by foreign entities or did not have all of the securities in place that we would like to see. I think that is an area that we are looking forward to trying and better understand how we can do some additional vetting on the front end and communicate that to some of the private sector parties that we work with so that the things that they are developing and providing us with are fully compliant with things like the NDAA. For us, the challenge has been really looking beyond those initial companies that were on the prohibited list and even their subsidiaries, which the law encompasses, and focus more broadly on some of the core requirements and security aspects that need to be in place regardless of who is manufacturing the equipment. I think that is something that we are learning more about and, I think that we are going to be in a much stronger position to do that going forward. I have to also point out that a lot of that is the HIDTA themselves and their local management teams working with state and local law enforcement agencies that have a fiduciary relationship to manage different aspects of the grant. They have had conversations with vendors and explained that they are subject to this new law and these requirements and, those vendors had actually been able to pivot, and in some cases very quickly, and source certain components from other vendors- from U.S. based companies or companies that at least have sufficient protocols. We have heard back from one HIDTA already; not only were they able to make that transition rather quickly, they actually saved money in the process. That was one of the concerns we had initially, that implementing these protocols and additional requirements, that costs would be greater, but we actually had a number of instances where it has been the opposite. The cost has actually been cheaper because they are more engaged, there have been more conversations with the vendor community upfront and explaining what the requirements are. So there is innovation at all levels because those conversations are taking place. At the end of the day, HIDTA is regulating better equipment and better services at a better price; that won't always be the case. There will be times where it is higher costs to have something that is more secure, or that has a more secret supply chain. So, we understand that but, we think that if it is an informed decision and an informed approach, it is a good trade-off to make. I would say that it is a big success for us, that raised-

level awareness and more of that direct hands-on engagement that actually creates more opportunity, opens more doors and not just closing them.

Matt Halvorsen: There really are some great successes, Andrew. Thanks for sharing with us. As we come to an end here, if people want to know more about ONDCP or HIDTA, where should they go?

Andrew Coffey: The easiest place to go for information is [www.whitehouse.gov/ONDCP](http://www.whitehouse.gov/ONDCP), and they can navigate right to that page, and from that page, you can learn more about the HIDTA program. We have got some basic information there, and it a good resource for folks who want to know a little bit more about what we do and where we are located.

Matt Halvorsen: Well, Andrew, We really appreciate the partnership. We are really happy for the work that you're doing and the successes that you guys are having there. On a personal note, I appreciate your time with us here today for the interview, it has been really enjoyable.

Andrew Coffey: Thanks, Matt. NCSC has been a real help to us throughout the process, and we appreciate the partnership. Thanks for the invite.