

OFFICE OF THE DIRECTOR OF NATIONAL INTELLIGENCE



The Threat Environment

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THE NATIONAL COUNTERINTELLIGENCE AND SECURITY CENTER



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Global Supply Chain Summit
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Director of National Intelligence



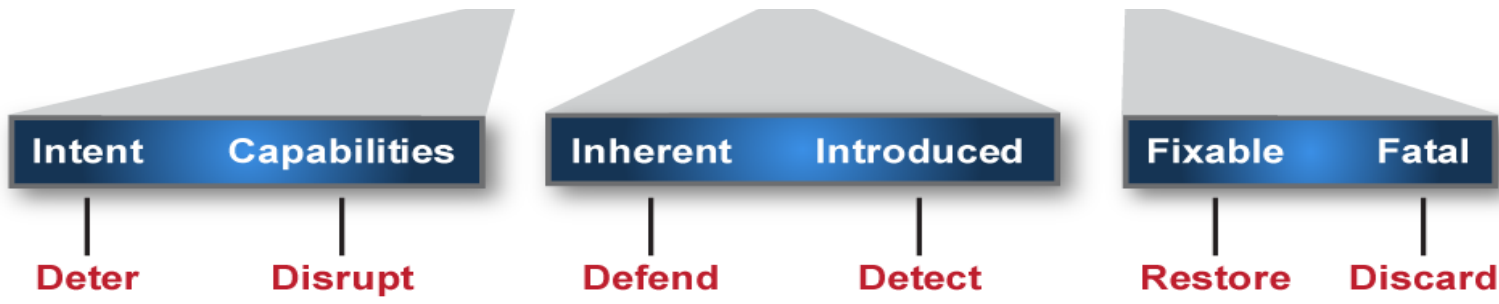


Assessing Risk

Risk = f (cost, schedule, performance)

Security Integrity

Risk = f (threat, vulnerability, consequence)



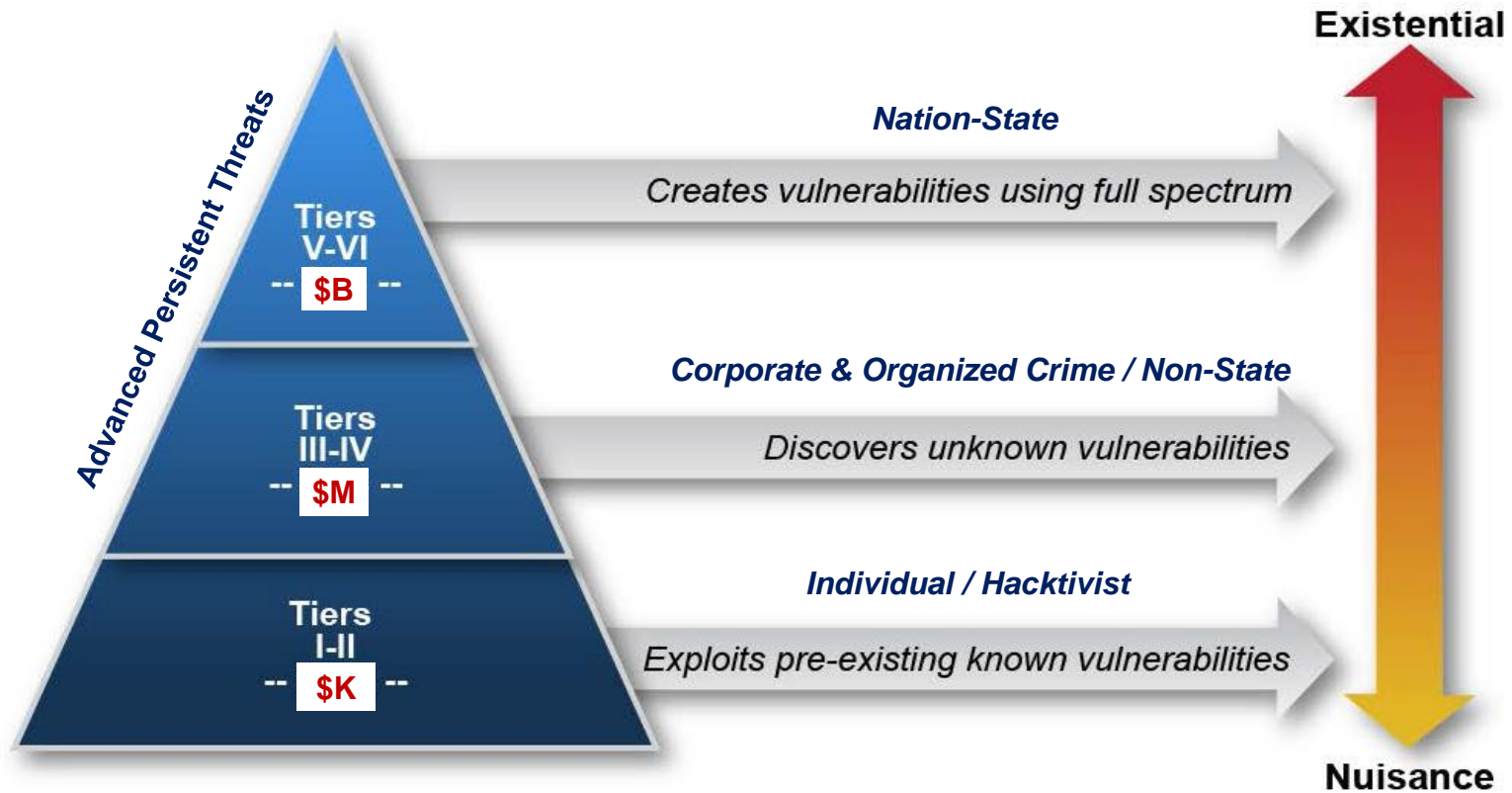
Defense Science Board Task Force Report *Resilient Military Systems and the Advanced Cyber Threat* 25Feb2013

Supply Chain Life Cycle

Concept Design Manufacture Integration Deployment Maintenance Retirement



Threat Model

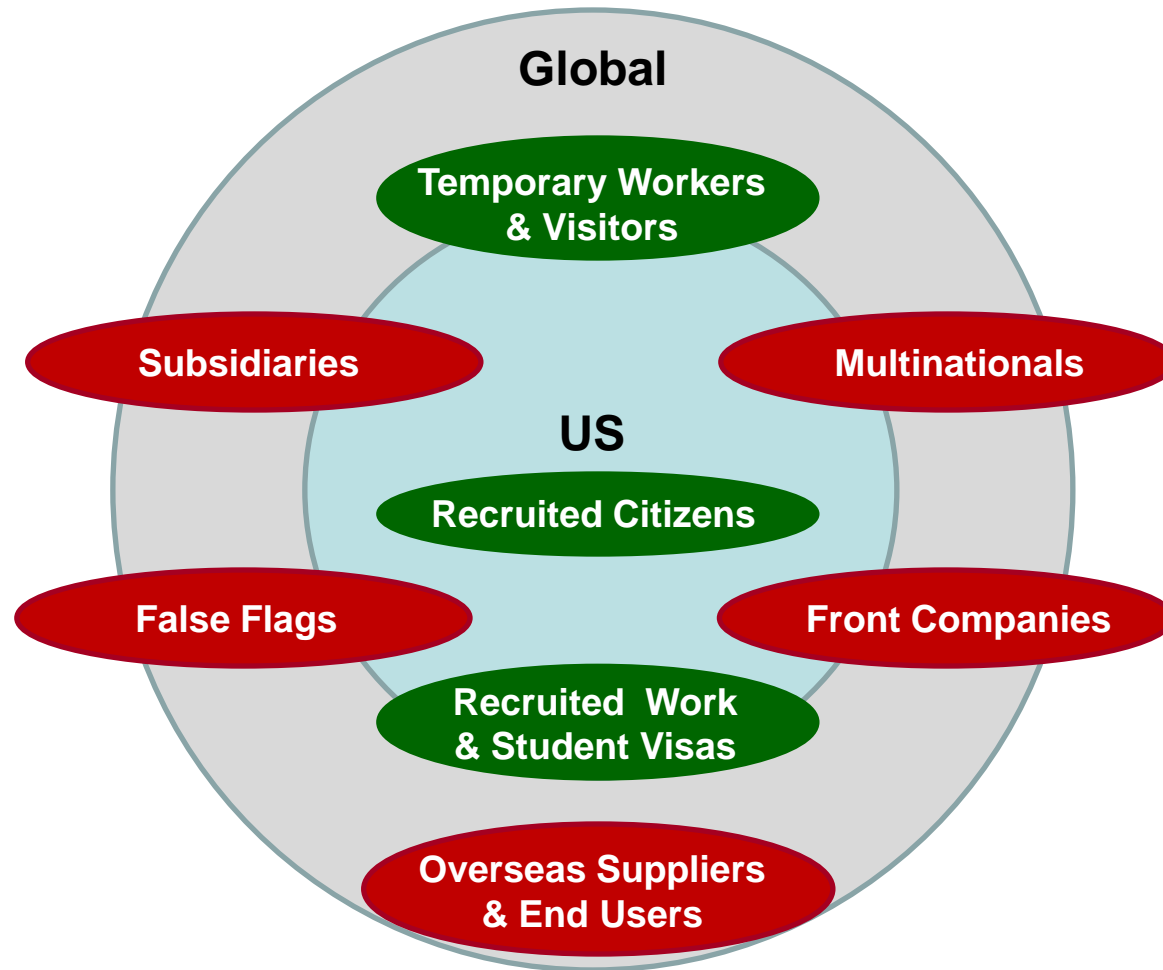


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Proliferation of cheap, readily available, and effective Cyber Network Operation tools increasingly gives less capable actors the means to conduct cyber attacks.



Adversaries Need Not Look Foreign





Things Are Not Always What They Seem...

Observable behavior of Multinational Firm	Nefarious Intent ... ?	... or Business as Usual?
Tries to purchase US firms, create joint ventures	Seeking intellectual property for intelligence activities	Secure market share, distribution, and access to technology and IP
Conduct business intelligence on competition	Acts as intelligence agents for foreign government	Plans and intentions of rivals; limitations of competing products
Access to systems or networks after equipment or software install	Foreign government access for collection, exploitation, and disruption	Retain access to customer systems for service, maintenance, and license compliance monitoring
Fills key overseas positions with individuals of specific nationality	Vetted trusted insiders can facilitate intelligence activities	Executives with strong ties to firm to protect IP and business interests
Uses financial structure that is complex with limited transparency	Conceals financials to appear independent and fiscally sound	Global variation in taxes incentivize complex financial structures; privately held firms limit details
Seeks contracts to supply US government	Firm may be trying to supply subverted products	US government is a large customer of products and services



Collaboration

- The U.S. National Security Community is deeply concerned about the integrity of supply chains.
- We have more than enough evidence to know the threat is real and dangerous, but we will inevitably have difficulty predicting targets and assessing impacts.
- Supply chain security is a group effort; government and industry must identify threats and implement countermeasures.



QUESTIONS?