



Teneo Insights Webinar: COVID-19 and Crime in U.S. Cities

Teneo Insights / September 24, 2020



Jerome Hauer, Ph.D., Teneo Senior Advisor and Public Health & Emergency Management Expert, and Bill Bratton, Executive Chairman of Teneo's Risk Advisory practice and former New York City Police Commissioner, join Kevin Kajiwara for an important discussion on the pandemic and the urban crime narrative, two driving variables in the U.S. presidential election.

Kevin Kajiwara (KK): Well good day, everyone. Welcome, and thank you for joining today's Teneo Insights webinar. I'm Kevin Kajiwara, Co-President of Teneo Political Risk Advisory in New York City. While the passing of Justice Ruth Bader Ginsburg has introduced certainly a new and urgent element into the campaign, and as the president prepares to nominate her successor and speed through what appears to be pretty much a proforma confirmation process,

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the general election campaign has, until now, essentially been focused on two major issues. The ongoing pandemic, and race and crime in America cities and the rhetorical demands by President Trump for law and order. Yesterday, a grand jury in Kentucky handed down a single indictment and no murder charges related to the police shooting and killing of Breonna Taylor.

The nation braced again last night for renewed rounds of protests, while fearing the ramifications of a new descent into more violence. And indeed, two police officers were shot in Louisville last night. Meanwhile, pressing the case, Attorney General Bill Barr has designated a number of cities anarchist jurisdictions, including here in New York City. And I have to say, it's a pretty perplexing assertion to all of us who actually live and work here. But what is really going on with crime in this country? And how has it related to the racial divide that is both real and being exacerbated by both internal and external actors. And what's happening with police and citizen relations?

Secondly, this week we passed a grim milestone of 200,000 COVID deaths in the United States, even as the world nears the one millionth mark. And we gird for a new wave. We've seen numbers moving up again alarmingly in Europe, as political and public health officials struggle with how to react without completely shutting down their economies again. And this notwithstanding the continued upward trend in many other countries, especially India. And here in the U.S., as kids return to school, the weather turns colder, flu season is upon us, we're waiting to see what happens. Here in New York after the citizenry responded responsibly and flattened the world's toughest curve, we're seeing very concerning new numbers in parts of Brooklyn and Queens.

So, we've dealt with the partisan political elements of the election in previous calls, today I want to dive into these underlying issues. And to do so, I'm joined by two of my esteemed colleagues. William Bratton is the Executive Chairman of Teneo Risk Advisory. Bill's been the Boston Police Commissioner, the Los Angeles Police Chief, the Chief of the New York City Transit Police, and two-time New York Police Commissioner under Mayors Rudy Giuliani and Bill de Blasio. Clearly the guy has got a problem holding down a job. But Bill's also currently the Chairman of the U.S. Secretary of Homeland Security's Advisory Council.

I'm also joined by Teneo Senior Advisor Dr. Jerry Hauer, former Acting Assistant Secretary of the U.S. Department of Health and Human Services. He headed up the emergency preparedness during the SARS outbreak, and he coordinated the response to the West Nile virus in New York City when he was Commissioner of the New York State Department of Homeland Security and Emergency Services.

So, I'm going to engage in a conversation with these two guys, and I encourage you to ask your questions via the moderator chat button on your screen. We'll get to them as they come in, and I'll try to insert them in at relevant moments. So please join us. But Commissioner Bratton, I want to start with you. After nearly a full term in office, the president continues to paint a picture of American carnage, suggesting the country is descending into lawlessness, violence, accusing protesters in some cases of sedition. But can you give us some actual perspective from your point of view, and looking at the data, how close this perception to the reality of what we're actually experiencing is.

Bill Bratton (BB): Thank you, Kevin. And it's great to be with Jerry this morning, yourself, as well as the audience. Before focusing on that question, what I'd like to do is frame the overall conversation this morning under the heading of public safety. Jerry will speak certainly to the health issues that fall under that mantle. But when looking at public safety from the aspect that I cover particularly, it breaks down into several areas. And I want to discuss several of those briefly before getting very specifically into the U.S. situation, and even more specifically into what's going on here in New York as it relates to these areas.

The area of terrorism, which is something that certainly in the homeland security advisory capacity that I serve on, we spend a lot of time on, and having been head of the NYPD for two different terms, the terrorism issue is maybe one of the good news aspects of what's happening at this time, in that you don't hear much about it. Certainly, the Al-Qaeda entity was overtaken by ISIS starting around 2014. And ISIS was significantly diminished in 2018, 2019, 2020. Both of those organizations still exist. Both of them have been driven very deeply underground, although ISIS still is able to operate as it always has through social media. An article in the paper the other day and briefings I have is ISIS is still incredibly well-funded, with hundreds of millions of dollars.

But neither one of them has been able to take advantage of the pandemic and all of the focus on dealing with that crises around the world who advance their issues. And within the United States, we have not seen a significant incident, or incidents, either homegrown or inspired as we refer to them or the idea of them trying to smuggle cells into the U.S. There've been acts of terrorism around the world by these organizations, but none of them of the scale that we've become accustomed to in much of the 21st century. So that's the good news. Good news is that at the national level and at the local level in large departments, in the

international law enforcement level, still a lot of effort there to prevent these entities from reemerging.

Moving into the other area of public safety, the idea of crime, your initial question. Crime in the United States, there's a report released by the FBI which tracks the seven major crime categories of murder, rape, robbery, felonious assault, burglary, grand larceny, and auto theft. The first six months of 2020, they were showing an overall decline of crime in the United States. Might be expected as a result of the coronavirus. So many fewer people out on the streets. So many fewer potential victims, if you will. So good news. As it relates to the issue of reality, the documented crime numbers versus the perception, a lot of what we're dealing with right now nationally, and I'll speak at the moment to New York City specifically, a lot of what we're dealing with is perception.

Perception fueled by so much of the disorder that we've been experiencing as a result of the demonstrations around the racial issues in this country. And also the political rhetoric particularly coming from President Trump and his emphasis as he's trying to gain a foothold to counteract the negative publicity about the handling of the coronavirus, trying to shift attention to the issue of law and order, and attacking the various demonstrations no matter what the cause of those demonstrations is.

So there has been a real push at the federal level, at his level, to change the perception. And some of that is taking hold. That the idea that the country is going through a resurgence of crime, not reflected in the FBI stats, but reflected in some cities around the country. In largely cities more so than the suburbs. Where the impact of the law and order refrain from the Trump administration is not having impact is that that is not the reality that people are experiencing in large parts of America. It is unfortunately the reality in many of our major cities. In our 25 largest cities, and I'll speak to

that in a moment, then drill down on New York. But most of America is experiencing less crime, a lot of it having to do certainly with the impact of coronavirus issues.

But what is happening is the demonstrations, and some of the violence associated with those demonstrations in the nightly news reports night after night after night, what's been going on in Portland and Seattle, and then a while back after the murder of George Floyd, when the demonstrations were very active throughout the country, it gave the sense of incredible chaos and disorder, particularly in some cities that were the epicenter of it, Minneapolis. What is actually happening in the inner cities is there has been a significant uptick in murders and shootings, particularly in minority cities that have large minority populations. New York, Chicago, St. Louis.

We are currently now working very closely with St. Louis city and St. Louis county, which unfortunately now has the dubious distinction of probably having one of the worst murder and shooting rates in America. And the numbers of shootings and murders have increased dramatically in most of those cities. Fortunately, not equally anywhere near in many instances what we saw at the height of the crime issue in America in the 1990s. For many in the audience that we have this morning weren't probably even born or of an age that they'd be aware of it. We became used to in the 21st century in the run-up to this year, a continuing decline in overall crime and continuing improvement in the sense of public safety and reduced disorder.

But over this last six, nine months of 2020, apart from what Jerry will talk about with the pandemic, we have seen, unfortunately in some of the cities that have been most significantly hit with employment issues, with economic impact as a result of the pandemic, they're also experiencing daily reporting six o'clock news if it bleeds it leads reports of shootings. And the media, the left leaning media of New

York Times trying to play it down. Right leaning media in the New York Post trying to play it up. And similarly, Fox News playing it up. Similarly, MSNBC, CNN playing it down. So, your perspective oftentimes is shaped by what you're listening to. As well as what's going on in your own city.

KK: Yeah, go ahead.

BB: Let me just wrap up on this perception versus reality. It has been the widespread demonstrations that exploded following the death of George Floyd, also influenced by a criminal justice reform movement that had begun to take hold significantly in 2019. New York City is probably one of the epicenters. New York City, New York state, in which in well-intended efforts to reform what everybody feels is a deeply flawed criminal justice system that unfairly impacts on minorities. Many instances my belief is, I currently believe this in cities such as New York, states such as New York, they tried to do too much too fast and they effectively compounded the problem of crime by letting too many people out of prison too early, and the COVID virus issue accelerated that process.

So a lot of the disorder, I think a significant part of the crime we're experiencing now in many American cities is reflective of well-intended but gone astray criminal justice reform, and the compounding of too many people let out of jail, and not enough people who need to be put in jail being put in jail as district attorneys and political leaders, state legislatures, governors are backing away from what they felt was the mass incarceration of the 1990s, trying to get our arms around the crime situation of the 1990s. So that disorder is something that people see on the streets. The shootings and murders, something they hear about, fortunately only happening in certain areas of cities. Large parts of New York City, for example, most of it is happening in two of the boroughs in New York City, the Bronx and Brooklyn.

The others have an occasional shooting or murder, but nothing like those two areas are experiencing. So lastly, and then I close here, next question Kevin. The demonstrations that we've been experiencing, I believe as we saw last night in response to the vision in Kentucky yesterday, we are going to see a continuation of those through the election, and I think after the election no matter who wins, if we even determine that in 2020, that those demonstrations are going to increase. And I think unfortunately, the potential for disorder, potential for violence around them significantly spread on by the ultra-left, ultra-right, there's a real potential. I wish I had a better forecast, but I sense that we're going to be dealing with the disorder issue and some of these crime issues well into 2021.

KK: So, I want to follow up on a couple of them. Thank you for that, that was very comprehensive. I want to just follow up on a couple of the things that you said. And starting with this rise in the murder rate and gun violence, because you've been a real leader in law enforcement in terms of using data to interpret trends and to more efficiently allocate resources and alike. So, what's your view on what's behind this seeming disconnect? You talked about the overall crime rates in the country declining. It's obviously been secular for quite a long time, even continuing into 2020, and yet at the same time now there's been this disconnect with this rise in murders and gun violence. Why is that?

BB: Again, certainly with the intimacy I have with cities I've worked in, I stay in close contact with a lot of my colleagues in the major cities around the country, major city chiefs, such as New York. We're working very closely in St. Louis, St. Louis county. Throughout the country, shootings and murders that inner cities are experiencing are largely concentrated in the Black community, to a lesser extent in Latino communities, but are consistent in those cities

and consistent across those two communities. The uptick in that level of violence of shootings and murders is largely gang inspired and very little of it has to do with the commission of robberies, home invasions. A lot of it is just retaliation, gang bang is just basically they see a rival that they want to shoot or kill, and they don't care where that person is. We had one in a car dealership here the other night in Queens, with a bunch of people in the showroom, and they had a shootout with a lot of young kids in the room.

So, the focus of the increase right now is primarily around gangs, particularly Black gangs, to a lesser extent Latino gangs here in New York, Dominican's. But what we're also seeing is that the issue of violence, again, seems to be primarily associated with our largest cities. And the overall crime rate, fortunately, there's no uptick as people get back to work as things start to hopefully get back to normal. And Jerry, you'll talk about this in 21 and 22 that we don't see a resurgence in other forms of crime. But the ability in the midst of this racial crisis that we're in, in terms of Black Lives Matter, the whole idea of social justice, criminal justice reform, to deal with the level of Black violence is going to be extraordinarily difficult because we need cooperation from those communities to identify who's doing the shooting. A lot of it we can do through technology, etc., but we still need communities to be a witness, if you will, to what's tearing their communities apart. And it's going to be a very difficult balancing act, trying to do that in the midst of a pandemic.

KK: Yeah. You've made the point several times here in your remarks to this morning that a lot of this uptake, in particularly violent crime, is concentrated in the cities and that makes sense. But there is a political message that's being delivered to the mythic or proverbial soccer mom in the suburbs that this violence is coming to you. It's coming to the suburbs if we don't stop

this in the cities now. What is the evidence with regards to this kind of suburban creep of this type of violence that's going on?

BB: To the best of my knowledge, there is no evidence of it. One of the things that's been consistent over the last 50 years that I've been associated with policing is that there is really no migration of cross racial violence. That the community most effected by what I just described, the Black gang violence, Latino gang violence, are the Black and brown communities. There was very little migration across those population groups, even in a city. And very little of it migrates to the suburbs. You have some in the case of here in New York, Long Island, some of the Latino migration out to Long Island, particularly around the El Salvadoran gangs, MS-13.

Clearly there's been violence associated, but that's largely within that population group on Long Island. So, it is a bit of an anomaly that the violence we're talking about, as it relates to shooting and murders, is sustained within those population groups, very little violence here in New York City. In the sense of I, as a white male, I'm probably one of the safest people in America in New York City. My chances of being the victim of a murder or a shooting are de minimis quite frankly. When I look at the crime stats going back to 1993 just before I took over as police commissioner, the city had 7.5 million people at that time, 26 million tourists and tourism was declining.

In that one year, we had 5,862 people shot on the streets of New York, we had 1,927 murdered. The improvement through the end of 2019, a city now that had 8.5 million people with 65 million tourists and a workforce that has increased dramatically, in that year in 2019, we had a total of 95,593 serious crimes versus a total of 430,000 back in '93. So, we've had a phenomenal drop-off in crime, but even with that drop off in crime, the proportionality of who are the victims has stayed pretty consistent.

So the challenges of Black Lives Matter and others, with their well-intended efforts trying to bring about criminal justice reform to reduce the negative impact on over-incarceration, if you will, of members of that community, is how do we get to the core of why are those violence levels so high in those communities?

And in many respects, it comes down to the issue of influences. Influences such as the economy, significant unemployment in those areas, Albany, schools that are much poorer at teaching than other areas. Phenomenal inequalities, and right now we're beating up on the police all around America. We're the end result of all of those other stimulations, all that stuff gets dumped on the police. We fail at dealing with the homeless, let the cops take care of it. We fail with dealing with the emotionally disturbed at all the mental institutions, let the cops deal with it. We fail to deal with the doctor inspired and drug companies by it opioid epidemic, let the police deal with it.

So, every societal failure ends up being dumped on the police. And since we are the most visible part of government, the anger is reflected at us. And when we have unfortunate incidents, and particularly played up significantly because of the social media world we live in, it just is proof to the suspicion that police are effectively the sum of all evils in our society. Wrestling with this is going to be difficult. It's not going to be easy. And no matter who gets elected in our presidential race, because of the divisiveness of these campaigns, we're going to be dealing with this stuff for years to come.

There is no quick fix, unfortunately for the stuff that I specialize in. Crime, disorder, these demonstrations. And in some respects, Kevin, this is a recycle of the 1970s, where we started out with, in terms of some of these fringe groups on the left, fringe groups on the right, who basically say, "We're not getting enough

change.” And then the more radical groups ended up taking over. So, the Weatherman took over from students for the Democratic society in the ‘70s. And we had something like 46 bombings very quickly. It got more radical. I worry about the radicalization of the ultra-right, ultra-left, both of which have significant access to armament and certainly anger. We’re in for some very difficult times, no matter who gets elected here in the United States. We need to be prepared for it.

KK: I want to turn to the police, because you’ve just talked about that quite a bit. But before we do, I want to pick up on your last point, and this is about the extremist groups, because you make the point that just by the nature of the political season we’re in, plus the movement for social justice is all adding up to this picture where we’re going to continue to see protests into the election and after the election. And as more incidents occur and how the criminal justice system deals with it. But I want to clarify something here with you because obviously most of the protests around the country, throughout this whole period, have been peaceful and have been diverse. And then there have been these violent ones.

BB: One of the distinctive features of these demonstrations is the diversity, which is in many instances, while the demonstrations are around criminal justice reform and Black Lives Matter issues, the significant involvement of whites is really something we haven’t seen since the anti-war demonstrations of the late ‘60s and ‘70s. But that’s a new element to it. And the vast majority of these things are peaceful, that’s the intention of the demonstrators. But what has happened in New York and around the country is you have fringe elements that are basically like a barnacle attaching themselves to a ship going through the water. So that in New York City you had on the left, you had Antifa types.

Antifa, it’s an ideology rather than an organization. But you would have, if you would, the peaceful, legitimate demonstrators there for the cause, but then you also have the fringe groups, anchors, who would seek to use the cover of the umbrella, if you will, of the larger demonstration to then basically commit the violence and the vandalism, some places a lot worse than other places. But they’re constantly seeking to engage with the police. And that’s a lot of what’s going on in Portland at the dock. And then you have the third element in New York that was very exhibited seriously early on, some of the demonstrations around the country, the looting were characters who were not out demonstrating initially and who were not the anchors. But looters are just basically for the looting, you have those three elements.

And the second two elements really detract from the intent and purpose of the first. And this is where police get caught in the middle having to fight to protect the free speech demonstration rights of the first group, who are then almost always fighting at the dock, dealing with the fringe groups in the left and the right, and that’s the challenge. And particularly these groups can become emboldened, and in the country that has more firearms than people, it’s a tremendous balancing act for the police to try and effectively be the man in the arena, the man in the middle. Extraordinary challenges.

Much the same as the medical profession is so challenged by all the misinformation about the pandemic that Jerry will talk about, police also are challenged. And what we have to be very careful about is the wearing down, if you will, of morale and capabilities of both the police profession and the medical profession. If we have another surge of the coronavirus, these medical professionals have been working six months already. They’re stressed and diminished. in many respects. We have to have the same concern about our public safety officials. Good news is that we have a lot of very good people who are committed to

trying to make the reforms, who are trying and committed to the idea of focus on prevention rather than just response.

But boy, the challenges are immense. Probably more so than any time in the last 50 years I can think of. I'm just finishing up my new book that'll be out after the first of the year on this issue. I've been a police professional the last 50 years and there has never been a time like this last six months to a year, incredible.

KK: So, I want to turn to Jerry here in just a moment and the pandemic, but I do want to ask one final question just regarding the police, and you've sort of touched on it in your remarks here. But you've made the point that they are on the front line, they're in the midst of a pandemic like the rest of us. All of our political and societal failures wind up in their lap when it comes to it. And it's got to be incredibly challenging because at this moment also the entire uniformed force around the country is all being painted with the same brush. But one of the things that I've seen firsthand traveling around with you in the city and around the country actually, you're a revered leadership figure.

That isn't universally the case with other leaders. I'm wondering how the rank and file police are coping, number one. And we've made so much about, even on this program, diversifying the leadership of corporate America and whatnot. Can you talk a little bit about that in terms of law enforcement, leadership and union leadership? I think we were all struck by the fairly unusual sight of the head of the PBA in New York actively endorsing and speaking at the Republican Convention and endorsing the president unusual. Can you comment on this?

BB: Sure. The last 20, 30 years have been informed in policing by a very strong, progressive movement among American police chiefs and indeed, some coordination

with a lot of American police unions. And what has been lost in this turmoil over the last six months is any understanding of how much reform is occurring. And policing right now is demoralized, it's distressed, it's being dehumanized, and it is very troubling that over 20% of the police leadership in the 75 largest cities in America and Canada have left just since the first year. A lot of these are some of the most progressive chiefs in America. Some were not particularly good, so their leaving is no loss. But some of the best and brightest and some of the most committed to reform and change are gone. And so, we have a dichotomy between police leadership and rank and file represented by the unions, fraternal organizations.

Where the rank and file are, I would have to say the bulk of them are over in the Trump camp, if you will. And police leadership, we tend to be more over on the progressive side, which would tend to be thought of more as the democratic side, if you will. But they try to basically balance leading the men and women that they are privileged to lead while at the same time, sometimes finding themselves on opposite sides of the fence, relative to the issues they're trying to advance. A very stressful time but we will get through it. I came to policing in the seventies, an extraordinarily stressful time.

Civil rights movement, the anti-war movement, great societal changes, and this time is different for so many reasons. The impact of social media, the explosion of this pent-up racial frustration, and also the idea of transparency. With the ability to see far more frequently when police do behave inappropriately, illegally, or in a criminal way, the amplification of that, tends to your comment, paint with a broad brush. Worked around this country for 50 years with cops, good cops, and bad cops, but the vast, vast majority of them are good cops who want to do the right thing.

There's some bad ones, there certainly are. You're going to get bad judges, bad doctors. And all the positives coming out of this is this ability to identify them, but at the same time we tend to, depending on which political ideology we're following, we paint them as good guys, we paint them as bad guys. And we've got to find a way to get everybody onto more common ground than we are at the moment. The challenge for all of you, your listeners, for us in the business world advising our clients is how do we find common ground? How do we literally take all these disparate sides of an issue? Find a way that we can get onto common ground and go forward together rather than just falling back into the abyss?

KK: Well, commissioner, thanks very much for your thoughts. And it's unfortunate that it can't be heard by as broad of an audience as actually needs to hear what you have to say on this complex subject. I want to turn to Jerry, but Jerry, before we turn to you, I think you actually have a question for the commissioner, no?

Jerry Hauer (JH): Yeah. Bill, the impact of the focus or lack of focus of the pandemic in minority communities. What is that doing as far as frustration and crime?

BB: I think that the Black frustration with the criminal justice system spills over into the world that you're so familiar with. The idea of feeling underserved, that the death rate amongst blacks as you know, and maybe can speak to is much higher because of some of the issues of diabetes, overweight, all these things in terms of lack of opiate medical care. So very similar to how they're impacted disproportionately by crime, in many instances, they're disproportionately impacted because of coronavirus. Once again, going back to the idea of societal issues that have been left unaddressed in the Black community for generations.

So, the parallels between health and policing, we certainly talk very frequently. The parallels are so similar, oftentimes we'll talk about health issues as it relates to policing because it's so similar. Both professions seek to in the process of keeping people safe to do no harm, but we are authorized to use force. Doctors are authorized to use deadly intrusion through medicine or surgical activity on a patient. And you just have to hope that you have the right doctor and you have to hope you have the right police chief or the right cop. So, the frustration that the minority communities have around the virus issue, I don't think it has much impact on crime. I think it's just an expansion of the manifestation of that event, not treated well by government or society in so many ways. And it's been very evident during the coronavirus.

JH: Great, thanks Bill.

KK: And thanks commissioner. So please stick around because we may have additional questions coming in from the audience. But Jerry, it's been a few weeks since you've been on the call and a lot has developed with regards to the pandemic, of course. So can you give us an update on your perspective on the state of the pandemic right now, both in the U.S. and sort of the trends you're seeing globally and how bad do you and other members of the public health community think that the fall is going to be here in the U.S.?

JH: Well, Kevin, the virus continues to spread worldwide. Places like India, 81,000 new cases a day, one thousand deaths a day. We have not seen any attenuation of the virus spread in Brazil, Argentina. What's troubling now is the uptick in cases in France, the UK, Sweden, Spain. 10,000 new cases. Israel going on a three-week lock down. So, the virus is resurging in some areas, probably in these countries, which did very well because they're starting to loosen their public health restrictions and people are not taking the kind of precautions they were during the height of the pandemic.

Here in the U.S., we were on a downward trend. We were seeing under 400 deaths a day. We're now seeing 51,000 new cases roughly a day. And we're at about one thousand deaths a day. We were at half that. When you look at that number here in the U.S., with 205,000 deaths right now, by the end of the year, we could see upwards of 90,000 more deaths. Cases arising in the 29 States in large part because of college openings, Labor Day partying, pandemic fatigue, where people are out going to nightclubs and bars and again, behavior, which is keeping this virus spreading. Surges of 400,000 people getting together, most not wearing masks. Going back to their home state, home city, just continuing to spread the virus.

I think we're going to see a continued spread throughout the fall, rising number of cases. And it's going to be compounded by the flu season. On top of that, there's some new research that shows that there's been a genetic mutation in the virus that is making it more transmissible, not necessarily more lethal, but more transmissible. For the flu season, CDC is hoping that 65% of the country, of the people in this country will get the vaccine. They've produced 10 million additional doses than they usually do. Hopefully to try and tamp down the flu this fall. There is some good news in all of this, we're looking at Australia and some of the countries in the southern hemisphere.

Australia has had a pretty mild flu season. And they're attributing that in part to the fact that people are wearing masks, people are being careful about hand hygiene, staying indoors. So, if we're vigilant here, we could wind up if people do get vaccinated and I encourage people to, to have a milder flu season, which will reduce the number of deaths, also demand on hospitals. Bill's point was right on target. Fatigue, you're looking at doctors, nurses, EMTs, paramedics, who've worked 12-hour days, 16-hour days for six months now. I'm watching in some hospitals, an ICU would see one person die in the night, seeing six, seven,

eight people die overnight. The physical and emotional toll this is taking on the healthcare community. As Bill mentioned, police chiefs leaving.

We've seen a number of public health leaders leave because of threats, because their bosses were not happy with the restrictions they recommended. So, it's taking its toll here in the U.S. The Chief Scientist of the WHO made an announcement last week saying that he didn't see things really returning anywhere near normal until 2022. Another piece of good news, testing is getting better. Both viral testing and antibody testing. Just yesterday, we saw a release about a company in Singapore that now has a point of care where you can get an antibody test without having to send anything to a lab. You do it right there in the doctor's office or in the emergency room. And so that's again, good news.

There's a lot of good work going on on antivirals. Fujifilm is now working on an antiviral that is showing a lot of promise. As far as vaccines go, Kevin, again some good news. Overall, there's about 170 vaccines worldwide that are in some phase of development. Most are preclinical. There are 26 in Phase 1, 14 in Phase 2, 10 in Phase 3, and 5 in limited use or approved for limited use, those are in China and Russia. Here in the U.S. vaccines that are really doing well as far as Phase 3 clinical studies are two RNA vaccines, Pfizer, and Moderna.

Then we have Johnson & Johnson just entered Phase 3 and that happened in the last week. And then AstraZeneca, the Oxford vaccine is in Phase 3. So, these vaccines are moving along very quickly. We're also seeing an old TB vaccine that's been around for a hundred years. It's being repurposed, and that's now in Phase 3.

KK: So, this is all very good news. So, I want to ask you something though about this, because while the administration has been justifiably criticized for its overall pandemic response, one of the real bright spots though has certainly been Operation Warp Speed. It's a remarkable public, private partnership example that does look like, from the sound of what you've just been saying, will deliver one or more effective vaccines in frankly, near record time. But perhaps not as fast as the political calendar demands in a sense. And so paradoxically, it seems like we've got this criticism of our public health agencies coming from the White House and the mixed messages that are coming from them themselves, from CDC, from the National Institutes of Health, from the FDA, etc.

So, it seems like even as we get closer to a vaccine, polls are showing declining enthusiasm, like a straight line down of enthusiasm among both Democrats and Republicans alike to actually take one. So, what's going on here? Are we sort of shooting ourselves in the foot?

JH: Yeah, we are. And that's exactly what happened. And it was manifested again last night. Operation Warp Speed was a great move. Vaccines can take five to seven, eight years, nine years to get developed, go through clinical trials and then get through approval. What we've seen with Operation Warp Speed is these vaccines, they're being produced as they're going through clinical trials, which has never been done before. The government has said that they will pay for the vaccines as the manufacturing of a hundred or million doses or more go through clinical trials. So, there's three vaccines right now, and Johnson & Johnson just entered that group, Pfizer, Moderna, and AstraZeneca. So, these vaccines are doing very well.

The problem is the FDA came out with a statement saying they were going to tighten guidance on the Phase 3 trials. Basically, they said they are going to require that companies show data two months after the last person received a shot, which is reasonable when you're dealing with a new vaccine. Last night, the president came out and said he ultimately will decide, and that he is going to overrule the FDA. In all my years in dealing with these types of issues, I've never seen the White House intervene in dealing with a vaccine or any kind of medical device or medical countermeasure. So, it is really casting a shadow on what has been a very successful program that The White House launched.

KK: And I just want to get a little bit of clarity on something you've said here, because you make this point that Operation Warp Speed has been very successful. We've got all of these trials underway, 10 of them, even in Phase 3, but I think everyone who's on this call that is from the investment community, certainly has had experience with a Phase 3 clinical trial on some sort of anticipated drug. It just sort of all ends on the one-yard line. Why are you so convinced that we are going to be...this will be successful in a relatively short period of time?

JH: Well, I think at this point in time, Kevin, what we're seeing in Phase 2 and with the data that's coming in, in Phase 3 is the safety profile of the vaccines, has been quite good and the efficacy is being tested right now. Moderna has said that they are going to look at the, and with all these vaccines, you go look at the number of people that go out into the community that receive the vaccine that later become infected and the goal is to have as few people as possible. Moderna's goal is reducing cases by 74%. That's a highly effective or efficient vaccine.

So, we're seeing data that is extremely encouraging, both from a safety and that's most important, a safety profile, right now. But the FDA really wants to look at both safety and efficacy before they give an emergency use authorization. Now, part of the problem, Kevin, is once we have a vaccine, two of these vaccines have issues with storage. The Moderna vaccine has to be stored at minus four degrees Fahrenheit. Pfizer's vaccine at minus 94 degrees Fahrenheit. We've never had to deal with that before. So, that could pose real challenges in distribution of the vaccines.

KK: Yeah. I want to get to the logistics here again in a second, but I am curious about one thing here. As you talk about all of these trials and like a lot of the people on the line, I suspect I've learned more about vaccine development and clinical trials than I ever knew before, just in the last couple of months, but with all of these trials going on, where do they find the volunteers to actually take these things? Who does that?

JH: In ordinary circumstances, these companies that are spread out around the country recruit people for clinical trials. It takes time whether it's a medicine or vaccine. It's a slower process. I think right now with all that's going on, there's an altruistic sense in these folks that are volunteering to enroll in the clinical trial. We see that when things happen. After 9/11, we had thousands and thousands of people give blood. And I think we're seeing it again. I think there's also a small group of people that are thinking well, "I'll get the vaccine and I'll be protected." So, there's a combination of the two. But again, things are accelerated and that's helping us get across the goal line.

KK: Actual altruism, it's all too rare these days so that's good to hear. I want to go back to the logistics issues for just a second, because you talked about how the vaccine developers are, even as they engage in the trials, they are being paid

to make the dosages so that they are ready to deploy if and when proved safe and effective. But talk about that supply chain and the logistics of delivery. I mean, everything from the manufacturer of the vaccines, the delivery mechanisms of all the little vials and the syringes and the needles.

As you indicated, some of these require extremely cold storage. And then when taken out of cold storage, they have to be deployed very quickly. And in many of these cases, the public is going to have to be inoculated twice, if my understanding is correct, within several weeks of each other. A lot has been made of the vaccine development itself, but are we up to the logistics challenge? Not only in this country, but globally?

JH: That's a good question, Kevin. When you look at these vaccines, we're used to vaccines that can be distributed at higher temperatures and, distributed to doctor's offices, pharmacies, where they can be kept refrigerated at 36 degrees Fahrenheit. When you look at the current vaccines, or at least two of them, you're looking at minus four, minus 94. When you get to those kinds of temperatures, it is going to be a cold chain supply chain issue. With the Moderna vaccine, it can be refrigerated for two weeks at normal 30 after it's moved through a doctor's office or a pharmacy. It can be refrigerated for two weeks. But once it's brought to room temperature, they have six hours to use the vaccine and Moderna, at this point is two doses, 28 days apart.

The Pfizer vaccine, five dose vials. It can be refrigerated for up to 48 hours. And once it's at room temperature, you've got six hours to use the vaccine. So, there are some supply chain issues. And I think, again, it poses significant challenges for distribution logistics. Now, imagine sub-Saharan Africa where you try and bring a vaccine in at those kinds of temperatures. It's going to be a real challenge

in trying to maintain the vaccine before it becomes adulterated, as we call it. So, we've got some real challenges. Having said that, when you think about what we need to do to start to wind this pandemic down, herd immunity in the U.S. is going to be about 60 to 70% of the population. And that's going to be either by exposure and developing antibodies or vaccination. That's 200 million people worldwide. That's 5.6 billion people that need to be vaccinated or exposed in some way through natural exposure to the family or other mechanisms.

KK: Well clearly, we could go on about this for hours more. So, Jerry, of course you will be back soon, hopefully with us, but we're at the bottom of the hour. So, I want to thank both Commissioner Bill Bratton and Dr. Jerry Hauer for their participation today, and to all of you for joining us. I encourage you to join us again next week, Thursday, October 1st. My guest will be Teneo CEO and Chairman and Founder, Declan Kelly. If you have any follow up questions or questions weren't answered for either the Commissioner or Jerry, please don't hesitate to reach out to us at teneoinsights@teneo.com. Thanks again for joining us. We'll see you next time.



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