

IN THE NEWS

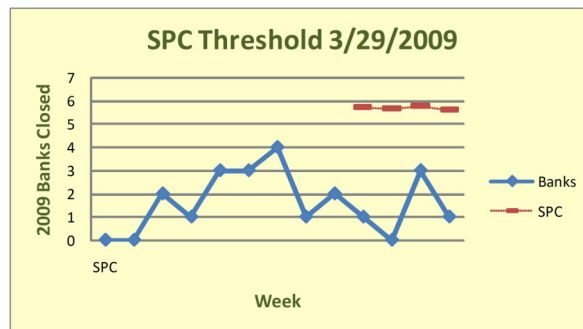
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Economic Recovery

In a sobering assessment, the FBI Director, Robert Mueller, expects an 'Inevitable Increase' in Economic Crime and Public Corruption Cases [1]. In particular, the FBI anticipates increased crime stemming from the stimulus bill [2]. To help, the FBI Director asked lawmakers to renew the Patriot Act [3]. What's more, the FBI is speeding up probes of financial crime [4]. Concurrently, regulators are planning oversight of hedge funds, private equity, and derivatives is drawing approval now [5]. Given the current financial crisis, expect harsher white collar sentences. Case in point, Lance K. Poulsen, the founder of National Century Financial Enterprises that collapsed 7 years ago in a \$2.9 billion fraud; was sentenced to 30 years in prison [6]. What's more, international banks are concerned over the increase in law enforcement activities. For instance, Switzerland's private banks have started banning executive travel for fear managers will be detained [7].

Concerned the U.S. dollar will lose value, China urged a new world currency [8]. After the U.S. Treasury Secretary indicated he was open to the Chinese suggestion, the dollar fell [9]. The Treasury Secretary later qualified his statement and reaffirmed the dollar; thereby restoring some of the dollar's value lost the day before [10]. This illustrates how dynamically financials react to any news, good or



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IT Security

Perhaps the nastiest vulnerability is one discovered in widely used hardware chips. Case in point, a bug with Intel processors could allow hackers to exploit CPU cache poisoning if they can gain access to the privileged" SMM memory [1]. To complicate matters, a proof of concept paper, including code, was published describing how to successfully exploit the vulnerability [2].

Two Senators have a bill that would create the Office of the National Cybersecurity Advisor; placing the new office under the Executive branch thereby removing cybersecu-

rity control from the DHS [3]. What's more, Senator Bill Nelson from Florida claims his office's computers were hacked into on multiple occasions [4]. Elsewhere, a hacker who ten years ago broke into NASA and DOD networks is believed to have hacked into 2 U.S. banks and a payment processing company; resulting in \$10 million loss [5]. In an example where crime pays; a New Zealand hacker who helped break into a million computers world-wide is now a security consultant for a telecom company [6].

During Senate Commerce,

Science, & Transportation hearings on cybersecurity, Dr. Ed Amoroso, Chief Security Officer, AT&T, testified cybercrime exceeded drug trafficking as the most lucrative illegal global business; now exceeding \$1 trillion per year [7]. What's more, a vast spying operation operating from China has infiltrated at least 1,295 computers in 103 countries [8].

Meanwhile, the Conficker worm that has infected 3 million computers, will start receiving new commands on April 1 [9]. The malicious software (malware) was written to contact the bad actors to get more

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Special points of interest:

- Intel CPU bug could be vulnerable to CPU cache poisoning attacks
- Regulators shutter 21st bank
- Cybercrime more lucrative than drug trafficking

Economic Recovery

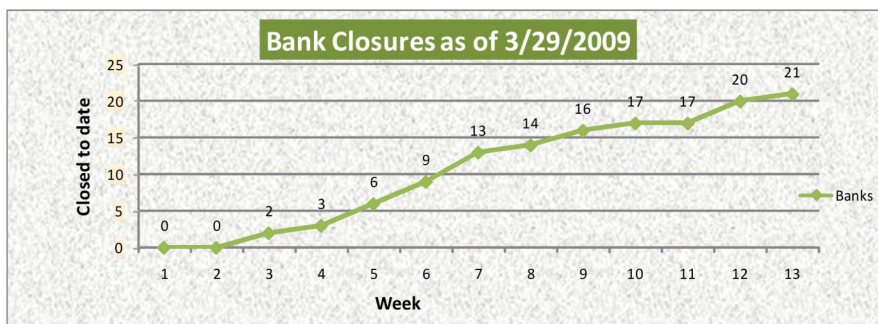
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bad.

Domestically, the Omni National Bank of Atlanta became the 21st bank shuttered this year [11]. The bank had \$796.8 million in deposits as of March 9 with about \$2 million in uninsured deposits [12].

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2. Sullivan, Andy, Reuters, *Stimulus, bailout will lead to more fraud: FBI*, March 25, 2009.
3. Johnson, Carrie, Washington Post, *FBI Director Asks Lawmakers to Renew Patriot Act Provisions*, March 25, 2009.
4. Barrett, Devlin, AP, *FBI says it's speeding up some financial probes*, March 25, 2009.
5. Frances, Theo, Business Week, *Geithner: The Regulatory War Ahead*, March 27, 2009.
6. Kouwe, Zachery, New York Times, *Executive Gets 30 Years in \$2.9 Billion Fraud*, March 27, 2009.
7. Milne, Richard, Financial Times, *Swiss banks ban top executive travel*, March 26, 2009.
8. Barboza, Davis, New York Times, *China Urges New Money Reserve to Replace Dollar*, March 23, 2009.
9. Guha, Krishna, Financial Times, *Dollar dips on Geithner's 'loose talk'*, March 25, 2009.
10. Kollewe, Julia, Guardian (UK), *Dollar regains ground after Timothy Geithner qualifies global currency remarks*, March 26, 2009.
11. FDIC Press Release, *SunTrust Bank, Atlanta, Georgia, Receives the Insured Deposits of Omni National Bank, Atlanta, Georgia*, March 27, 2009.
12. Bernard, Stephen, AP, *Regulators shut down bank in Georgia*, March 27, 2009.

The key is not to prioritize
what's on your schedule, but
to schedule your priorities –
Stephen R. Covey



IT Security

(Continued from page 1)

instructions and perhaps more malware [10]. However, some are suggesting the potential damage has been overestimated [11].

1. Croters, Brooke, CNet, *Intel chip flaw-but what of it?*, March 23, 2009.
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3. Condon, Stephanie, Cnet, *A bill to shift cybersecurity to White House*, March 20, 2009.
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7. commerce.senate.gov/public/_files/TestimonyofEdAmoroso31709.pdf
8. Markoff, John, New York Times, *Vast Spy System Loots Computers in 103 Countries*, March 29, 2009.
9. McMillian, Robert, IDG News Service, *Fears of a Conficker Meltdown Greatly Exaggerated*, March 27, 2009.
10. AP, *Giant Internet worm set to change tactics April 1*, March 27, 2009.
11. Claburn, Thomas, *Information Week, Conficker Worm Worries Exaggerated*, March 27, 2009.

Cold Fusion

Energy costs and fossil fuel pollution are a constant challenges for the United States. However, the energy solution seemed at hand when on March 23, 1989, Stanley Pons and Martin Fleischmann announced their discovery of cold fusion. For years the debate continued with mixed results. In the latest saga, a Navy scientist announced reactions that could be the result of cold fusion [1]. In the most recent experiments, neutrons, typically associated with fusion, were detected [2]. Consequently, researchers claim to have verified the fusion results [3]. In addition to the Navy, others have continued research into cold fusion. For example, the Department of Energy has continued to explore cold fusion research [4]. An alternate to oil energy is critical. The slowdown in investing in gas and oil exploration could result in significant cost increases [5]. This is one reason there is a renewed interest in nuclear power [6]. March 28 marked the 30 anniversary of the Three-mile nuclear accident that placed further nuclear power on hold [7]. Today nuclear energy produces 20% of electricity in the

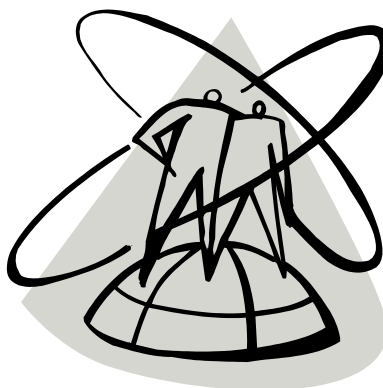
U.S. whereas in France, it generates 80% [8]. In Texas, a design for a 1,350-megawatt advanced boiling water reactor design was selected [9].

Perhaps the 30 year delay in building new nuclear power plants is fast approaching. More importantly, if cold fusion is proven viable, energy costs and pollution could be abated.

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3. Johnson, R. Colin, EE Times, *Cold fusion experimentally confirmed*, March 23, 2009.
4. Mullins, Justin, IEEE Spectrum, *Cold Fusion Back From the Dead*, September, 2004
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Power Industry Enjoys Revival 30 Years After Accident, March 28, 2009.

7. Behr, Peter, New York Times, *Three Mile Island still haunts U.S. nuclear industry*, March 27, 2009.
8. Grunwald, Michael, Time, *Three Mile Island at 30: Nuclear Power's Pitfalls*, March 27, 2009.
9. Houston Chronicle/AP, *Design chosen for Texas nuclear reactor*, March 27, 2009.



*The wise man bridges the gap
by laying out the path by
means of which he can get
from where he is to where he
wants to go – J.P. Morgan*

Digital Medical Records

Before medical information can be universally exchanged, paper processes must be replaced. However, hospitals are delaying implementing electronic health records. Currently, only 9% of hospitals have electronic health records [1]. In all, fewer than 2% of hospitals have abandoned paper records [2]. The main reason given is the high cost to convert [3]. One area that remains challenging is protecting medical

information from disclosure and modification. Privacy breaches have become a regular occurrence and cybercrime is the dominant crime (see *IT Security* on page 1). Moreover, exchanging medical records is included within the American Recovery and Reinvestment Act of 2009. To address the new requirements, a Common Security Framework (CSF) standard is under development [4].

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Times, Doctors Raise Doubts on Digital Health Data, March 25, 2009.

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4. Brenner, Bill, PC World, *Secure Digital Medical Records: Even Possible?*, March 7, 2009.

World News

Last week, China's top foreign-exchange official reaffirmed the communist superpower will continue to purchase US Treasuries [1]. Furthermore, Chinese officials told their Japanese counterparts, China does not plan to be the only super power without an aircraft carrier [2]. What's more, China's military is expanding in the areas of nuclear, space and cyber warfare [3]. In response to a Pentagon report highlighting China's armed expansion, Chinese officials warned of weaker military ties with the US [4]. What's more, China is calling the report a gross distortion of the facts [5].

A Japanese minister has indicated that Japan will not try to intercept the planned North Korean missile launch scheduled for early April [6]. Nevertheless, Japan is deploying two Navy destroyers equipped with interceptor missiles in case rocket debris falls toward Japan [7]. It is thought the new missile has the range to reach targets in Hawaii [8]. However, Secretary of State, Hillary Clinton, warned North Korea

that launching a missile would have consequences [9]. North Korea warned the U.N. Security Council if there any actions against the planned missile launch, the communist country will restart their nuclear power plant [10].

The U.S. warned Pakistan that it has intelligence reports of Pakistani aid going to the Taliban [11]. At the same time, the Taliban have been stepping up attacks against NATO resupply convoys. For example, militants destroyed 12 trucks containing NATO supplies [12].

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2. AFP, *China tells Japan it wants aircraft carrier*, March 23, 2009.
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12. AFP, *Militants destroy 12 NATO trucks in Pakistan*, March 28, 2009.

Opportunities multiply as they are seized – Sun Tzu

Crime

In Chicago, an undercover operation resulted in a \$1.1 million mortgage fraud charges against 24 people [1]. In California, a man was charged with aiding and abetting fraud in connection with more than \$100 Million in loans [2]. Elsewhere in California, a 30 year old, Jerry Van Le, was charged with operating a \$100 million identity theft ring [3]. In Washington state, 7 people were indicted in a mortgage fraud scheme

that cost financial institutions \$48 million [4]. To address financial fraud, the administration is planning new rules that will be released shortly [5].

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2. AP, *California man charged in identity theft ring*, March 27, 2009.

3. FBI, *David Scott Cacchione charged with securities fraud*, March 24, 2009.
4. Carter, Mike, Seattle Times, *7 indicted in state's biggest mortgage-fraud scheme*, March 27, 2009.
5. Christie, Rebecca, Bloomberg, *Obama Plans to Propose Stronger Financial-Fraud Rules*, March 25, 2009.