

IN THE NEWS

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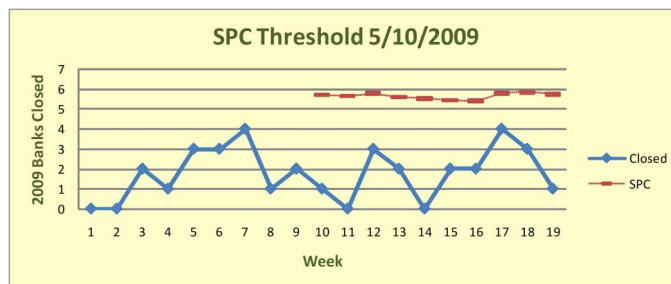
Economic News

The number three U.S. automaker, Chrysler, filed for Chapter 11 bankruptcy [1]. This put additional pressure on troubled U.S. auto-parts suppliers [2]. Meanwhile, Toyota lost more money during the quarter ending March than did GM [3]. The Toyota loss came in at \$7.7 billion compared with a \$17.7 billion profit the year before [4]. Recovery of the auto industry is reliant on oil and gas prices. After the U.S. oil and gasoline reserves fell, oil prices increased [5]. During the last week, oil reached a yearly high passing \$58 per barrel [6]. Elsewhere, there are some positive signs for the newspaper industry. For example, after reaching a union agreement, the Boston Globe will remain in operation [7].

Many investors have long considered real estate to be the safest investment. Unfortunately, in Phoenix, home prices have fallen 51% from their highs [8]. Moreover, it is estimated that 1 out of every 5 homeowners have negative equity in their home [9]. Adding to economic troubles, the unemployment rate rose to 8.9% [10].

The Chairwoman of the FDIC, Sheila Bair, proposed creating an oversight council made up of the nation's top financial regulators to scrutinize "too big to fail" banks [11]. On May 1 regulators closed three more banks bringing the total to 32 closed for 2009. The FDIC could

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Information security

State sponsored cyber warfare is becoming a global reality. Case in point, one report suggests North Korea now operates a cyber warfare operation trying to hack into South Korean and U.S. networks [1]. The National Research Council issued a report recommending the U.S. develop a policy and legal framework for launching cyberattacks [2]. Meanwhile, cyber attacks from well-funded nations are considered among the most significant threats to U.S. computer networks [3]. In responding to cyberattacks, the U.S. is not eliminating the possibility of armed re-

taliation [4].

On May 12th, Adobe will issue a new security patch [5]. Elsewhere, cybercriminals are distributing rogue copies of Microsoft Windows 7 [6]. Five years after breaking into networks at Cisco Systems and NASA, a Swedish hacker was indicted [7]. What's more, the FAA Inspector General reported that last year hackers took over several FAA critical network servers [8].

Hackers continue to show their interest in stealing medical records. For example, 160,000 medical records were compromised on a data-

base owned by UC Berkeley [9]. The breach occurred from October 2008 to April 2009 when it was discovered [10]. The university traced the hackers' computers to a number of overseas locations, including China [11]. In another breach of medical records, hackers have demanded the Commonwealth of Virginia pay \$10 million for the return of 8 million personal pharmaceutical records [12]. Officials learned of the breach to the Virginia drug database on April 30 [13].

1. AP, Report: NKorea operating cyber warfare unit, May

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Special points of interest:

- Chrysler files for bankruptcy
- Hacker steal 160,000 health records from UC Berkley
- Hacker stole 8 million drug prescription records from Virginia database
- Toyota lost more in the last quarter than GM
- Regulators shutter banks 30 through 33

Economic News

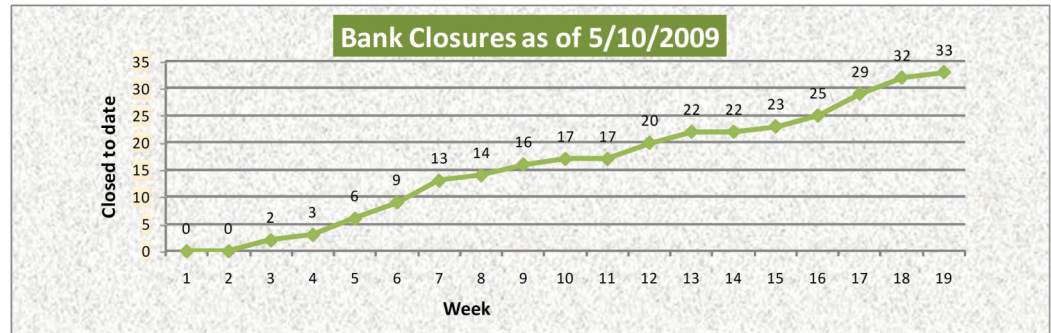
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not find a buyer for the 30th closure, the Silverton Bank of Atlanta, and is expected to cost the insurance fund \$1.5 billion [12]. The 31st failure was the Citizens Community Bank of Ridgewood, New

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Jersey [13]. The America West Bank, of Layton, Utah became the 32nd closure for 2009 [14]. On May 8, regulators shuttered the 33rd bank of the year in Bremerton, Washington [15].

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While maintaining our nuclear potential at the proper level, we need to devote more attention to developing the entire range of means of information warfare.—Boris Yeltsin

Travel Near Light Speed

The NASA Swift Space Observatory has detected the light from an exploding star estimated to be 13 billion light years away [1]. At the time of the event, the universe was considered to be only 630 million years old [2].

The Big Bang Theory postulates that 12 to 14 billion years ago, the portion of the universe we can see today was only a few millimeters across [3]. However, this introduces an interesting conundrum. If the star detected was

traveling in the opposite direction from us at the speed of light, and it took 13 billion years for the light to reach us, then we must be traveling at close to light speed. Consider, if the exploding star traveled

$$\text{Speed} = \frac{13 - .63}{13} c = 0.95c$$

630 million light years in the opposite direction, we would have traveled 12.37 billion light years during the 13 billion years that lapsed. This implies our current speed

through space would be approximately 95% that of light. Unless the exploded star was moving at many times the speed of light, something is contradictory in the evidence gathered or the Big Bang Theory may be flawed.

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Basically, all of our revenue sources are gone, ... I can't think of one that wasn't wiped out—Huey Long



The Quiet Sun

There can be no question the major source of planetary heat comes from the sun. Without the sun's warmth, the Earth would be little more than a frozen Pluto-like object. Understandably, whenever changes to the sun's energy output are detected scientists try to understand what next to expect. Lately, the sun is unusually quiet with few observable sun spots, the fewest since 1928 [1]. During this cycle, the sun gives off less

energy that would normally heat the Earth [2]. The current lull in sunspots, was unexpected for most experts [3]. While the impact is unknown, previous lack of solar activity has resulted in global cooling. For example, in the mid 17th century, a lull known as the Maunder Minimum lasted 70 years and resulted in a mini-ice age [4].

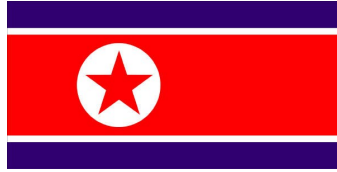
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World News

In Asia, North Korea announced plans to expand its nuclear program by constructing a uranium enrichment plant [1]. To further



complicate matters, the north is threatening to test another nuclear device [2]. Adding to the tension, a North Korean official said it is useless to talk with the U.S. [3]. What's more, the North has ruled out further peace talks with South Korea [4]. On the positive side, a South Korean warship chased away Somali pirates threatening to seize a North Korean vessel [5].

In Pakistan, government forces there recaptured a Taliban controlled town located 60 miles from the capital [6]. Moreover, the fighting has moved into the area previously ceded to the Taliban, the Swat valley [7]. The fight-

ing in the Swat valley likely means an end to the agreement where Pakistan gave the Taliban control over the valley [8]. Meanwhile, President Obama is pressing Pakistan to continue its attacks against the Taliban [9]. Concurrently, Pakistan is expanding its nuclear bomb building capabilities [10].

China continues to expand its scientific knowledge. For example, it is offering full professors relocation allowances of \$146,000 plus salaries reportedly as high as \$250,000 [11].

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3. Sang-Hun, Choe, New York Times, *North Korea: Official Sees No Point in Starting Talks With the U.S.*, May 8, 2009.
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*The sergeant is the Army—
Dwight Eisenhower*

Crime

In Prince George's county, Maryland, 5 people were charged with operating a \$70 million mortgage fraud [1]. Former Citigroup banker, Maher Kara, and those he conversed with were charged with an insider trading scheme that netted \$6 million in illegal profits [2]. In Indianapolis, 7 people were charged in a \$20 million mortgage fraud scheme [3]. In Kentucky, a man accused of embezzling over \$8.7 million disappeared [4]. In Wisconsin,

5 people were charged in a \$14 million mortgage fraud scheme [5]. In New Jersey, a man was charged in a \$10 million investment fraud [6].

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