

IN THE NEWS

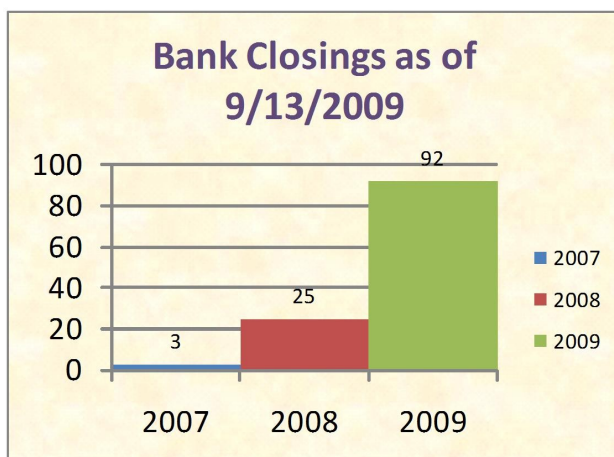
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Economic News

The current recession is hitting Americans in areas besides jobs. Case in point, there are over 35 million people now receiving food stamps [1]. Moreover, during 2008, the poverty rate rose from 12.5 percent to 13.2 percent [2]. Meanwhile, because of the Fed policy to print money to buy bonds, China is incrementally moving away from U.S. securities in favor of gold [3]. If this trend continues, gold will soon be reaching record highs. Indeed, gold has increased above \$1,000 per ounce reaching a 6 month high [4]. What's more, the Government is looking into over 100 instances of stimulus problems that suggest misappropriated funds [5]. Elsewhere, the U.S. posted a \$111.4 billion budget deficit for August [6]. On the plus side, a Fed survey indicates the recession is over [7]. To our south in Brazil, economic indicators show a 1.9 percent economy expansion, suggesting emergence from the recession [8]

On September 4, regulators continued shuttering banks. The First Bank of Kansas City became the 85th closed this year [9]. The financial institution Inbank became number 86 [10]. The next closure, number 87, was the Van-tus bank of Sioux City [11]. The 88th closure was the Platinum Community Bank in Illinois [12]. Next, the First Bank of Flagstaff became number 89 shuttered [13]. Financial institution shuttering resumed on September 11 starting with the 90th closing, the Corus bank N.A. of Chicago [14]. Next, the 91st closing was the Brickwell Community Bank in Minnesota [15]. Finally, number 92, was the Venture Bank in Washington State [16].



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2. Eckholm, Erik, New York Times, *Poverty Rate Rose in 2008, Census Finds*, September 10, 2009.
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IT security

Identity theft is still a major problem. For example, five people were indicted by New York prosecutors in a \$4 million stolen credit card scheme [1]. Elsewhere, cyber crooks are actively exploiting un-patched versions of Micro-

soft's IIS [2]. What's more, for \$100, hackers at Your-Hackerz.com will deliver the email password for any account (except edu and gov domains) [3].

As U.S. financial institutions continue to recover, hackers

continue to exact a cost. Case in point, in Indiana, cyber thieves hacked into dozens of online bank accounts [4]. In another banking attack case where \$447,000 was stolen, hackers found a way to defeat

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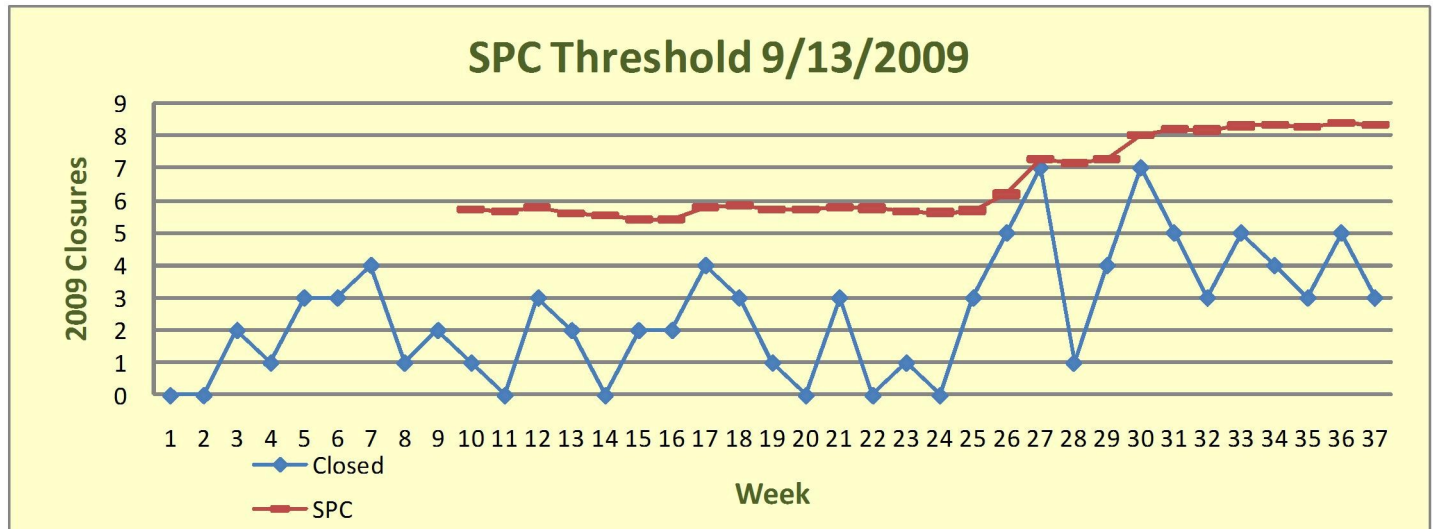
Special points of interest:

- Fed survey shows recession is over
- China annual growth at 8%
- 92nd bank shuttered
- Cyber thieves hack into online bank accounts

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(Continued from page 1)

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*Truth, when not sought after,
rarely comes to light—Oliver
Wendell Holmes*

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7. Aversa, Jeannine, AP, *Fed survey shows US recession may be over*, September 10, 2009.
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10. Bernard, Stephen, AP, *Regulators shut down banks in Mo, Ill, Iowa*, September 4, 2009.
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15. Augstums, Ieva M., AP, *Regulators shut banks in Ill. and Minn.*, September 11, 2009.
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(Continued from page 1)

two-factor authentication tokens that changes its code every 60 seconds [5].

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3. Haning, Evan, WTOP, *Hackers steal your passwords easily*, September 7, 2009.
4. DiDonato, WFIE (NBC Channel 14), *Hackers breach Warrick Co. bank accounts*, September 11, 2009.
5. Krebs, Brian, Washington Post, *Cyber Thieves Steal \$447,000 From Wrecking Firm*, September 9, 2009.

China

While the United States remains in a recession, China's economy is roaring along. For example, their industrial output, investment and credit growth accelerated in August [1]. What's more, China is on track for an annual 8% growth [2]. In contrast, the U.S. Census Bureau estimates an additional 2.6 million Americans fell into poverty during the last year [3].

Anticipating the worse, one Chinese legislator warned the current economic barriers preventing U.S. goods from entering China should be relaxed [4]. Moreover, the U.S. plans to put tariffs on tires made and imported from china [5]. Expectedly, China denounced the trade action accusing the U.S. of protectionism [6]. With the U.S. still in a deep recession, tolerating unfair trade only prolongs the time needed to recover.

Chinese industry does not have the environmental regu-

latory controls and associated costs that U.S. industry must pay. To illustrate the local consequence of China's lack of pollution control, 1,354 children so far have been found to have elevated levels of lead in their blood [6]. Showing no tolerance for protests, China detained 15 parents for lead poisoning unrest [7].

Ignoring China's growing military strength could have long term disastrous consequences. For example, China is set to display new intercontinental ballistic missiles during its upcoming National Day parade [8].

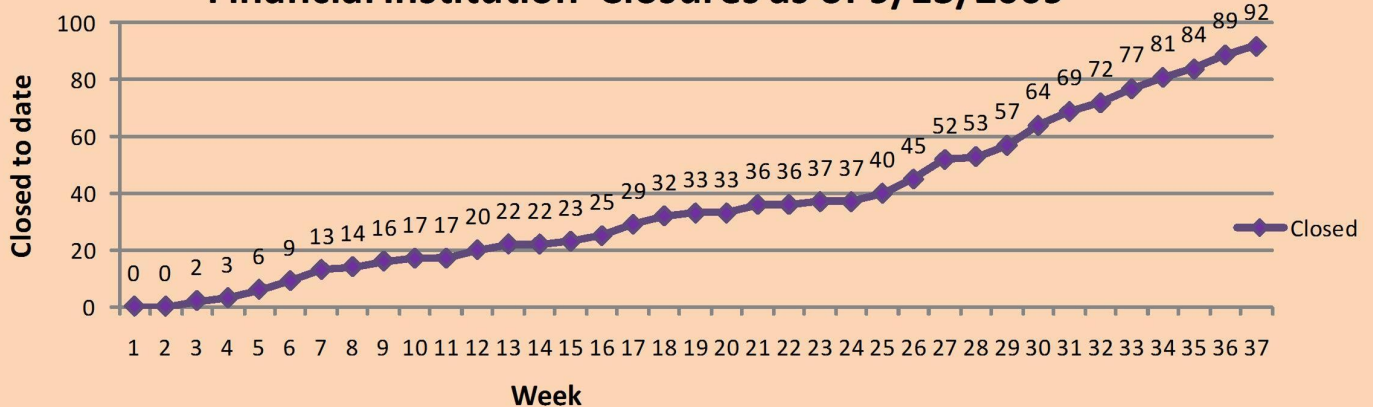
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3. Morello, Carol, and Keating, Dan, Washing-

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Our real problem, then, is not our strength today; it is rather the vital necessity of action today to ensure our strength tomorrow—Dwight D. Eisenhower

Financial Institution Closures as of 9/13/2009



World News

New estimates of the number of nuclear warheads that Pakistan has are 70-90 [1]. Next door in India, the greenhouse gas emissions are expected to triple in the next 2 decades [2].

The civilized nations seem to be incapable of slowing other countries from development of nuclear weapons. For example, North Korea announced they are nearly ready to process uranium, thereby giving the rogue nation another avenue for building nuclear bombs [3]. As a consequence, U.S. and South Korea are discussing a strategy to the North's continued nuclear weapons program [4]. Furthermore, there are indications the North is preparing to test another nuclear bomb this time using uranium [5].

Expectedly, Iran has ruled out any talks discussing its nuclear program [6]. Indeed, Iran has accused the U.S. of forging recent documents discovered on the Iranian nuclear weapons program [7]. What's more, new estimates are Iran now has enough uranium for at

least one nuclear weapon [8]. To make matters worse, Russia is opposing sanctions against Iran [9]. Indeed, Russia also warned against any attack on Iran [10]. After Russia showed support for Iran, for the first time in six months, Katyusha rockets were fired into Israel from Southern Lebanon [114]

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*How horrible, fantastic,
incredible it is that we should
be digging trenches and trying
on gas-masks here because of
a quarrel in a far-away
country between people of
whom we know nothing!—
Neville Chamberlain*

Crime

Fraud continues to dominate the crime news. For example, in Texas, 9 people, including a former Dallas Cowboy, were indicted in a \$20.5 million mortgage fraud scheme [1]. In Florida, a man was charged with operating a \$38 million Ponzi scheme [2]. In New Jersey, a man was charged in an \$11 million mortgage fraud [3]. In New York, a money market manager was arrested for operating

a \$45 million Ponzi scheme [4].

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