

IN THE NEWS

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World News

Once again Russia is exhibiting a more militaristic posture. Case in point, Russia is reportedly moving forces closer to the Ukraine [1]. Then one report indicated 32 tanks crossed from Russia into the Ukraine [2]. One piece suggests, the latest Russian buildup is causing concern amongst US government officials [3]. Perhaps the most immediate risk is evident in a warning from former Soviet leader Gorbachev that the Ukraine fighting could lead to a return of cold war [4]. This is perhaps best illustrated by the report Russia will deploy long range bombers for patrolling from the Arctic to the Gulf of Mexico [5]. Another sign of tension, Russian officials notified the US they plan to reduce participation in efforts to secure nuclear stockpiles [6].

To illustrate they are still a nuclear power, Russia fired a submarine launched missile that has a range exceeding 7,400 miles [7]. As Russia continues aggressively, the West still relies on Russian technology. For instance, the Antares rocket that blew up on October 28 contained a Russian-built AJ-26 engine [8]. Following the explosion, Orbital Sciences announced they will no longer use Russian rocket engines [9].

In Asia, China continues to make advances in weapon systems. For instance, one report describes a Chinese built laser armed sentinel drone that can destroy other drones or slow moving aircraft from a distance of one mile [10]. In another development, the new Chinese J-20 aircraft appears to have many features similar to the US F-22 and could perform an anti-access roles over the South China Sea [11]. Additionally, China displayed its new J-31 stealth fighter that appears to have many of the features found in the US F-35 aircraft [12]. China's expansion is not limited to new aircraft. Case in point, China has one of the largest submarine fleets including 6 nuclear powered and 53 diesel-electric attack plus 3 nuclear boomers (ballistic missile armed) submarines [13].

1. Gertz, Bill, Washington Free Beacon, *Russia Moving Missiles, Rockets Toward Eastern Ukraine*, November 6, 2014.
2. Choursina, Kateryna, and Krasnolutska, Daryna, Bloomberg, *Ukraine Says 32 Tanks Cross Border as Tensions Intensify*, November 7, 2014.
3. VOA News, *US Alarmed Over Reports of Russian Buildup in E. Ukraine*, November 9, 2014.
4. Mejia, Paula, Newsweek, *Mikhail Gorbachev Warns Ukraine Conflict*

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Special points of interest:

- US Postal Service breach compromised 750,000 identities
- 17th bank shuttered

Security

Security breaches continue to dominate the news. For instance, the US Postal Service (USPS) was breached resulting in the loss of 750,000 employee Social Security Numbers [1]. The USPS breach appears to be the work of Chinese hackers [2].

Currently, there is a greater

reliance on mobile devices. With this transition come security risks. Case in point, new malicious software (Malware) was discovered that infects Apple's iOS via a USB attachment [3]. So far, the new Malware appears to be limited to Apple users in China [4].

Malware is not limited to

smartphones and poses a problem that could devastate a nation's critical infrastructure. To this end, one report indicates Russian hackers have been placing malware in the US critical infrastructure since 2011; thereby placing hundreds of thousands of Americans at risk [5].

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Security

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Once again, the rush to fix security vulnerabilities is in full swing. The Microsoft patch Tuesday included fixes for 5 critical, 9 important, and 2 moderate vulnerabilities [6]. In total, 33 vulnerabilities were fixed [7]. One article indicates a critical zero-day attack fixed has been around since 1995 and poses a threat to all versions of Windows [8]. Additionally, Adobe released a patch to correct 18 vulnerabilities [9].

1. Perez, Evan, CNN, Massive Postal Service breach hits employees and customers, November 10, 2014.
2. Sanger, David E., New York Times, Postal Service Discloses Major Data Theft, November 10, 2014.
3. Seltzer, Larry, ZD Net, OS X malware infecting connected iPhones, iPads, November 6, 2014.
4. Mlot, Stephanie, PC Magazine, 'WireLurker' Malware Targets Apple Devices in China, November 6, 2014.
5. Ernst, Douglas, Washington Times, Russian hackers' 'Trojan Horse' malware inside U.S. critical infrastructure since 2011, November 6, 2014.
6. Carman, Ashley, SC Magazine, Microsoft schedules massive Patch Tuesday release with 16 bulletins, five 'critical', November 7, 2014.
7. Sean Michael Kerner, e-Week, Microsoft Patches 33 Vulnerabilities in November Patch Tuesday Update, November 11, 2014.
8. Pauli, Darren, The Register (UK), EVIL 'UNICORN' 0-day Windows bug LURKING since, 1995 November 12, 2014.
9. Colón, Marcos, SC Magazine, Flash and AIR updates available after Adobe addresses 18 vulnerabilities, November 12, 2014.

The Cold War isn't

*thawing; it is burning with
a deadly heat.*

*Communism isn't sleeping;
it is, as always, plotting,
scheming, working,
fighting—Richard M.*

Nixon

(Continued from page 1)

5. Isachenkov, Vladimir, AP, Russia's bombers to conduct regular patrols, ranging from the Arctic to the Gulf of Mexico, November 12, 2014.
6. Gordon, Michael R., New York Times, Russia to Curtail Nuclear Security Efforts With U.S., November 13, 2014.
7. Ernst, Douglas, Washington Times, Russia test-fires ICBM from submarine, November 5, 2014.
8. Shapiro, Jeffrey Scott, Washington Times, Orbital eyes end of Soviet engines after rocket crash, November 5, 2014.
9. Moring, Frank, et. al., Aviation Week & Space Technology, Antares Setback, November 3, 2014.
10. AP, Report: China develops laser system against drones, November 4, 2014.
11. Sweetman, Bill, Aviation Week & Space Technology, Long Lance, November 3, 2014.
12. Gertz, Bill, Washington Free Beacon, China Flight Tests New Stealth Jet During Obama Visit, November 11, 2014.
13. Bender, Jeremy, Business Insider, China's New Nuclear-Armed Submarine Fleet Could Upset The Balance Of Power In Asia, October 27, 2014.

Without perestroika, the cold war simply would not have ended. But the world could not continue developing as it had, with the stark menace of nuclear war ever present.—

Mikhail Gorbachev

Syria has become a target rich environment for terrorist groups. For instance, for the first time, the terrorist group Ahrar al Sham was targeted in allied bombing [1]. In a further sign of trouble, the Islamic State (IS) and al-Qaida reached an agreement in Syria not to fight each other [2].

While the IS remains a dominant force in Iraq and Syria, it is still unclear how large the organization is. By one estimate, IS has grown to 200,000 fighters [3].

As the IS continues to expand, they continue to reinforce their terrorism brand. For instance, US hostage Peter Kassig was beheaded and the video posted by IS on the Internet [4]. This latest victim was an aid worker captured last year [5].

Meanwhile, Iran continues to sponsor terrorism. Case in point, it appears the Iran is providing lethal aid to the Taliban to help in attacks against US targets there [6].

Terrorism

Concurrently, Iran is still negotiating with the West to curtail its nuclear weapons program [7].

While most news covering Africa focuses on the Ebola; terrorism continues. Case in point, the Boko Haram terrorist group is believed responsible for a Nigerian school bombing that left nearly 50 dead [8].

1. Walsh, Nick Paton, and Smith-Spark, Laura, CNN, *Report: Airstrikes target another Islamist group in Syria*, November 6, 2014.
2. Riechmann, Deb, AP, *IS, al-Qaida reach accord in Syria*, November 13, 2014.
3. Coeburn, Patrick, The Independent (UK), *War with Isis: Islamic militants have army of 200,000, claims senior Kurdish leader*, November 16, 2014.
4. Fahmy, Omar, and Noueihed, Lin, Reuters, *Islamic State claims it has beheaded U.S. hostage*

Kassig, November 16, 2014.

5. AP, *Graphic IS video claims US aid worker beheaded*, November 16, 2014.
6. Kredon, Adam, Washington Free Beacon, *Pentagon: Iran Giving 'Lethal Aid to the Taliban' to Fight U.S.*, November 6, 2014.
7. Strobel, Warren, Reuters, *Iran, West hold unscheduled second day of nuclear talks*, November 10, 2014.
8. Cowell, Alan, New York Times, *Boko Haram Suspected in Deadly Suicide Bombing at Nigerian School*, November 10, 2014.

Economy

According to the Labor Department, the number of first time unemployment claims for the week ending November 1 was 278,000 [1]. Then for the following week, the number reported was 290,000 [2]. The Labor Department also reported the unemployment rate fell to 5.8% [3].

In the past, we have documented the consequences of unfair trade practices on the US economy. As a reminder, we need look no further than Japan's impact on the US auto industry. What's more, to this day, Japan still refuses to open its auto industry to foreign competition [4]. Contrast this practice with how the US embraced Japanese auto im-

ports such as those from Toyota and Honda. As a final consequence, Motor City (Detroit) struggles through bankruptcy. [5].

Meanwhile, regulators continued closing financial institutions. On November 7, the Frontier Bank in California became the 17th bank closed this year [6].

1. Mutikani, Lucia, Reuters, *U.S. jobless claims, wages data point to tightening market*, November 6, 2014.
2. Reuters, *Jobless claims hit 290,000 vs. 280,000 estimate*, November 13, 2014.
3. Jamrisko, Michelle, Bloomberg, *Payrolls in*

U.S. Rose 214,000 as Unemployment Drops to 5.8%, November 7, 2014.

4. Pesek, William, Bloomberg, *Is the GOP Good for Japan?*, November 6, 2014.
5. Bomey, Nathan, and Helms, Matt, Detroit Free Press, *Historic ruling: Judge set to decide Detroit bankruptcy*, November 7, 2014.
6. AP, *Regulators close small bank in California, bringing number of US bank failures to 17 in 2014*, November 7, 2014.

Ebola

In Africa, Ebola is still a health concern. In For instance, in the population of health care workers there were 546 infections and 310 deaths [1]. What's more, according to the World Health Organization, Ebola has killed 5,160 out of 14,098 infected people so far [2].

The US continues to fly in sick

patients for advanced treatment in the US. In the latest case, a critically ill surgeon was flown into the US and is undergoing treatment in Nebraska [3]. We will continue tracking Ebola until it appears to be contained.

1. Szabo, Liz, USA Today, *Ebola cases rise sharply in Sierra Leone*, November 6, 2014.

2. Time, *Ebola Death Toll Surpasses 5,000 Worldwide*, November 13, 2014.
3. AP/Fox News, *Surgeon infected with Ebola virus in 'extremely critical' condition at Nebraska hospital*, November 16, 2014.

When I was in the White House, I was confronted with the challenge of the Cold War. Both the Soviet Union and I had 30,000 nuclear weapons that could destroy the entire earth and I had to maintain the peace—Jimmy Carter
