

IN THE NEWS

VOLUME 7 ISSUE 18

SEPTEMBER 7, 2014

World News

The situation in Libya continues to deteriorate. For example, in Tripoli, Islamic fighters captured the main airport [1]. The fighting has prompted other nearby countries to act. For instance, Egypt and the United Arab Emirates conducted airstrikes in Libya against Islamic groups [2]. What's more, Islamist militias took control of nearly a dozen commercial jetliners when they seized control of the Tripoli airport during August [3]. The airplanes disappeared and there are fears these aircraft could be used as weapons emulating the 9/11 attack in the US [4].

With much of the World focus on the Middle-East, events in Asia are shaping our future. Case in point, one article indicates North Korea is building a missile launching submarine that could put the US at risk from a surprise nuclear attack [5]. What's more, China continues to exert influence throughout the world. For instance, South Africa again denied a travel visa for the Dalai Lama because it might upset Chinese authorities [6].

Meanwhile, the situation in the Ukraine is far from resolved. For instance, Russian troops have again been seen inside the Ukraine border [7]. It is so bad the Ukrainian government is calling the Russian actions an invasion [8]. One piece indicates the Russian force includes battle tanks and other armored vehicles [9]. By one estimate, over 1,000 Russian military are now inside the Ukraine border [10]. Finally, the US military relies on rock engines from Russia at a time when Russia is threatening to cut off the technology [11].

1. BBC News, *Militias take control of Tripoli airport after heavy fighting*, August 25, 2014.
2. Klapper, Bradley, and Michael, Maggie, AP/ABC News, *Arab Strikes in Libya Show Impatience With US*, August 26, 2014.
3. Gertz, Bill, Washington Free Beacon, *Missing Libyan Jetliners Raise Fears of Suicide Airliner Attacks on 9/11*, September 2, 2014.
4. WBTW (CBS), *12 Libyan jetliners go missing as chaos spreads, reports say*, September 3, 2014.
5. Gertz, Bill, Washington Free Beacon, *North Korea Building Missile Submarine*, August 26, 2014.
6. Philadelphia Tribune/AP, *Dalai Lama again refused South Africa visa, no trip*, September 4, 2014.
7. McCoy, Terrence, Washington Post, *Russians troops fighting in*

(Continued on page 2)

Security

Unfortunately, it looks like cybercrime does pay. For instance, through the use of underground sites, people can purchase stolen credit cards and even rent a hacker for \$20 per hour [1].

One report indicates the FBI is investigating Russian hacking of JPMorgan Chase

& Co. that resulted in the theft of gigabytes of sensitive data [2]. The incident is reported to have taken place mid-August and is believed to be a state sponsored attack [3]. It appears the attack targeted the network of banks and at least four other financial institutions were breached [4]. Then it appears Home

Depot's 2,200 stores may have been breached; thereby compromising customer credit and debit cards [5].

In the past, we have argued that passwords are a weak security control. For instance, a number of entertainment celebrities had private pictures maintained

(Continued on page 2)

Inside this issue:

Terrorism	3
Economy	4
China Pollution	4

Special points of interest:

- Record \$30.9 Billion US trade deficit with China
- Hackers breach JP Morgan Chase & Co.

Security

(Continued from page 1)

in the iCloud compromised; this followed a selective attack based on user names, passwords and security questions [6].

Industry is not the only victim of bad actors. For instance, a hacker breached the US government's healthcare code testing site and installed malicious software [7].

1. McGregor, Jay, Forbes, *Budget Crime: You Can Buy A Stolen Credit Card And Rent A Hacker For Under \$20*, August 26,

2014.

2. Riley, Michael, and Robertson, Jordan, Bloomberg, *FBI Examining Whether Russia Is Tied to JPMorgan Hacking*, August 27, 2014.
3. Washington Free Beacon, *FBI: Russia May Be Tied to JPMorgan Hacking*, August 27, 2014.
4. Swartz, Jon, and Weise, Elizabeth, USA Today, *FBI investigates JPMorgan hack attack*, August 28, 2014.
5. Bose, Nandita, Reuters,

Almost all U.S. Home Depot stores may have been hit by breach: new data, September 3, 2014.

6. Reuters/Economic Times, *Apple comes clean, says some nude shots taken from stars' accounts*, September 3, 2014.
7. Yardon, Danny, MarketWatch, *Hacker breached HealthCare.gov insurance site*, September 4, 2014.

World News

(Continued from page 1)

Ukraine? Naw. They're just on 'vacation., August 28, 2014.

8. BBC News, *Ukraine accuses Russia of invasion.*, August 28, 2014.
9. Butenko, Victoria, et. al., CNN, *Official: Russian forces back rebels with tanks in eastern Ukraine*, August 28, 2014.

10. Croft, Adrian, Reuters, *More than 1,000 Russian troops operating in Ukraine: NATO*, August 28, 2014.
11. Shapir, Jeffrey Scott, Washington Times, *U.S. military reliance on Russian rocket raises security fears*, September 2, 2014.

You have enemies? Good.

That means you've stood

up for something,

sometime in your life—

Winston Churchill

The Islamic State (IS) terrorist organization has achieved more success within Syria. For instance, a military based was seized by IS in Northern Syria [1]. Then indications are over 500 people were killed as IS captured the Tabqa base in Northeastern Syria [2]. To make matters worse, one piece indicates IS now has advanced man portable surface to air missiles [3]. One of the main concerns of the IS terrorist organization are the number of Western people that joined their ranks. For example, another American was killed in Syria fighting for the IS [4]. Then reports emerged that a second US citizen was killed fighting for IS [5]. What's more, the United Nations has come out with the conclusion that the IS has committed mass atrocities that fall into the category of war crimes [6]. Similarly, Amnesty International claims to have evidence that the IS has carried out ethnic cleansing against minorities in northern Iraq [7]. For instance, IS terrorists conducted a mass execution of 150 Syrian prisoners [8].

Concurrent with fighting in Syria are the atrocities committed by Islamic terrorist groups. For example, public beheadings are now a common practice in rebel controlled areas [9]. Then the IS terrorists released a video that depicts the execution of Steven Sotloff [10]. This is the second American beheaded by the terrorist organization [11]. The impact of the IS activities in Iraq are having global im-

plications. Case in point, Germany will break a World War II restriction and send weapons to a war zone to support those fighting the IS terrorist assault [12]. As a final note, one article suggests the IS could get chemical weapons captured from the Syrian military [13]. By analogy, a terrorist willing to commit suicide could infect themselves with a virus, such as Ebola, enter the US through the open Southern border, and spread the infection to multiple cities.

In Africa, terrorism is in the news. For instance, in Somalia, the US launched a military attack against the al-Shabaab terrorist organization [14].

1. Hubbard, Ben, New York Times, *ISIS Tightens Its Grip With Seizure of Air Base in Syria*, August 24, 2014.
2. Westall, Sylvia, Reuters, *Hundreds dead as Islamic State seizes Syrian air base: monitor*, August 24, 2014.
3. Gibbons-Neff, Thomas, Washington Post, *Islamic State might have taken advanced MANPADS from Syrian airfield*, August 25, 2014.
4. Johnson, M. Alex, NBC News, *Are Americans Like Douglas McArthur McCain a Threat to America?*, August 27, 2014.
5. Fox News, *Sources say second American killed fighting with ISIS in Syria identified as Abdirahmaan Muhumed*, August 28, 2014.
6. BBC News, *Syria conflict: Islamic State 'committed war crimes'*, August 27, 2014.
7. BBC News, *Iraq crisis: Islamic State accused of ethnic cleansing*, September 2, 2014.
8. Fox News/AP, *ISIS kills captured Syrian soldiers*, August 28, 2014.
9. Cumming-Bruceaug, Nick, New York Times, *Beheadings in Syria Now Routine, U.N. Panel Says*, August 27, 2014.
10. Ferran, Lee, ABC News, *Video Appears to Show ISIS Execution of Second American Steven Sotloff*, September 2, 2014.
11. Hennessey, Kathleen, Los Angeles Times, *Obama: Video of slain journalist is authentic, U.S. won't be intimidated*, September 3, 2014.
12. Donahue, Patrick, Bloomberg, *Merkel Says Islamic State Is Regional Threat Beyond Iraq*, September 1, 2014.
13. Olson, Alexandra, ABC News, *US: Terrorist Could Get Syria Chemical Weapons*, September 4, 2014.
14. Nor, Mohamed Sheikh, and Doya, David Malingha, Businessweek, *U.S. Targets al-Shabaab Head as African Leaders Meet on Terror*, September 2, 2014.

*The way to get started is to
quit talking and begin
doing—Walt Disney*

Economy

With the highest corporate tax of any industrialized nation, industry is moving out of the US to more favorable locations. Case in point, Burger King announced plans to purchase the Tim Horton firm and move its corporation to Canada [1]. As a side note, the high taxes also make US goods and services more expensive and therefore less competitive; thereby contributing to the already staggering trade deficit. For example, the US the Commerce Department reported a \$40.5 Billion trade deficit for July [2]. Of this amount, a record \$30.9 billion was with China [3]. For the week ending August 23, the Labor Department reported 298,000 first time unemployment claims [4]. Then for the week ending August 30, the number reported was 302,000 [5]. What's more, the unemployment rate

for August fell from 6.2% to 6.1% due in part to the number of people leaving the work force [6]. Meanwhile, China continues its one sided trade policy. For instance, the American Chamber of Commerce in China acknowledged that foreign business is less welcome in China and communist anti-trust crackdowns discriminate against US businesses [7].

1. Condon, Stephanie, CBS News, *Burger King deal stirs up Washington rancor, but will it spur action?*, August 26, 2014.
2. Doug Carroll, USA Today, *July trade deficit narrows to \$40.5 billion*, September 4, 2014.
3. Bartash, Jeffry, MarketWatch, *U.S. trade deficit with China hits record high*, September 4, 2014
4. Reuters, *Weekly Jobless Claims Fall*, August 28,

- 2014.
5. Jamrisko, Michelle, and Woellert, Lorraine, Bloomberg, *Jobless Claims in U.S. Little Changed as Firings Dwindle*, September 4, 2014.
 6. Goldfarb, Zachary A., Washington Post, *Hiring drops in August, as economy adds 142,000 jobs; unemployment rate at 6.1%*, September 5, 2014.
 7. Bloomberg News, *China Targeting Foreign Companies*, American Chamber Says, September 2, 2014.

Silence is the true friend
that never betrays—
Confucius

China Pollution

While much of the attention has been given to China's air pollution; soil pollution is having a devastating effect. For instance, people eating food grown in polluted soil, estimated at over 20% of all soil in China, are getting

sick [1].

1. CBC News, *China's farmers, consumers feeling the effects of widespread soil pollution*, August 25, 2014.