

IN THE NEWS

VOLUME 8 ISSUE 7

APRIL 5, 2015

World News

Iran continues to expand its global influence. For example, in Iraq the US finds itself helping Iran fight the Islamic State (IS) rebels. For example, as Iranian backed Iraqi ground forces continued the battle for Tikrit, the US provided them reconnaissance intelligence [1]. Additionally, US military aircraft bombed IS targets in Tikrit [2]. Unfortunately, following the Iranian backed Iraqi retaking of Tikrit, there were reports of stores looted, homes burned to the ground, and revenge killings [3]. Iran is also advancing on the diplomatic stage. Case in point, following a nuclear framework deal, Iran is set to have sanctions reduced and the agreement enhances its regional power status [4].

It appears the war in Yemen is shaping up to be a major conflict. Case in point, rebels supporting Iran have secured large portions of Yemen [5]. Moreover, Saudi Arabia is determined to protect itself from Yemen and is expected to be a long term military participant in the current conflict [6]. One report indicates Pakistan is considering entering the conflict on the side of Saudi Arabia [7]. In a further sign of trouble ahead, al Qaeda fighters captured the Central Prison of al-Mukalla, releasing all prisoners, including a number of terrorists [8]. In summary, Yemen appears to be a free for all battle ground with al Qaeda versus Shiite Houthi rebels trying to gain the upper hand [9].

In Asia, China continues to make news with its advanced weapons. Case in point, recent testing demonstrates the communist giant has the ability to shoot down low earth orbit satellites [10]. Moreover, as the world is fixed on the Middle-East; China increases the risk of war by expanding military capabilities on artificial islands [11]. To this end, the rapid expanse of artificial islands is causing concern for the US Navy [12]. Concurrently, China released a picture displaying 9 new bombers; each believed to have a combat radius of 2,000 Kilo-Meters [13].

1. Michaels, Jim, USA Today, *U.S. provides support in Tikrit despite Iran's*

(Continued on page 2)

Security

Bad actors continue to probe the US power grid. By one estimate, once every 4 days, the power grid is subjected to a physical or cyber-attacks [1]. Furthermore, as more renewable energy sources are connected to the power grid, the new sources introduce more portals of entry thereby adding additional security vulnerabilities [2].

Medical breaches continue to make news. Case in point, 11 million Premiera Blue Cross customers were breached last May but the attack not discovered until January this year [3].

Recognizing the importance of cyber warfare, China continues to expand its capability. By one estimate, the Chinese expenditure for cyber warfare increased

30% [4].

As we have previously pointed out, one of the problems associated with paper documents is the ease in counterfeiting. For instance, four people were indicted for their role in a counterfeit Federal Reserve Note operation located in Uganda [5].

1. Reilly, Steve, USA

(Continued on page 2)

Special points of interest:

- 11 million Premiera Blue Cross customers breached
- War in Yemen

Security

(Continued from page 1)

Today, *Bracing for a big power grid attack: 'One is too many'*, March 24, 2015.

2. Downing, Louise, and Polson, James, Bloomberg, Hackers Find Open Back Door to Power Grid

With Renewables, July 2, 2014.

3. Huddleston, Tom, Fortune, *Premiera Blue Cross reveals cyberattack that affected 11 million customers*, March 17, 2015.
4. Gertz, Bill, Washington Free Beacon, *China Sharply Boosts Cyber Warfare*

Funding, April 1, 2015.

5. Greenberg, Adam, SC Magazine, *Four indicted in Federal Reserve Notes counterfeiting operation*, April 2, 2015.

The little reed, bending to
the force of the wind, soon
stood upright again when
the storm had passed over—
Aesop

World News

(Continued from page 1)

role, March 24, 2015.

2. Boston Herald/AP, *US conducting airstrikes to help Iraq retake Tikrit*, March 26, 2015.
3. Reuters, *Special Report: After Iraqi forces take Tikrit, a wave of looting and lynching*, April 3, 2015.
4. Spindle, Bill, Wall Street Journal, *Prospect of Bolder Iran Unnerves Some, Encourages Others*, April 4, 2015.
5. Michaels, Jim, USA Today, *Yemen is latest in string of victories for Iran*,

March 25, 2015.

6. Murphy, Brian, Washington Post, *For Saudi Arabia, struggles in Yemen have deep roots*, April 5, 2015.
7. Anis, Khurram, Bloomberg, *Pakistan Leaders Head to Saudi Arabia to Discuss Yemen Fight*, March 31, 2015.
8. Reals, Tucker, and Wasef, Khaled, CBS News, *Amid Yemen chaos, al Qaeda stages prison break*, April 2, 2015.
9. Brumfield, Ben, and Alasmari, Hakim, CNN, *Al Qaeda, Houthis, Saudi Arabia battle in chaotic Yemen as dozens die*,

April 4, 2015.

10. Gertz, Bill, Washington Free Beacon, *China Missile Test Highlights Space Weapons Threat*, March 25, 2015.
11. Wall Street Journal, *Conquering the South China Sea*, March 25, 2015.
12. Denyer, Simon, Washington Post, *U.S. Navy alarmed at Beijing's 'Great Wall of sand' in South China Sea*, April 1, 2015.
13. Hurst, Luke, Newsweek, *China Reveals New Long-Range Bombers*, April 1, 2015.

Terrorism

Libya continues to degrade into a terrorist civil war. For example, the Islamic State (IS), claimed responsibility for a suicide bombing that killed at least 7 people at a police checkpoint [1]. What's more, one piece suggests an IS attack on Italy could occur within weeks and might use aircraft believed to be in the hands of Islamists in Libya [2]. We hope that aircraft controlled by terrorists are destroyed by Western powers before they can be used as weapons.

In Syria, IS fighters are pushing into the southern district of Damascus [3]. As IS fighters seized most of the Yarmou Palestinian refugee camp just a few miles from Damascus; al Qaeda took the Northwestern city of Idlib and promised tough Islamic sharia law [4].

In another setback where all US troops and diplomatic staff left; Yemen has become another battleground between Iranian and Saudi Arabian backed forces [5]. Reports indicate a combined Egyptian and Saudi Arabian ground force will be used to fight the Iranian backed rebels in Yemen [6]. Meanwhile, Saudi aircraft continued to bomb rebel targets [7].

In Kenya, at least 147 were killed in a Muslim terrorist

attack against Christians at the Garissa University [8]. One report indicates the terrorists singled out Christians then shot or beheaded the victims [9]. Expectedly, the terrorists are promising more attacks [10].

1. al-Warfalli, Ayman, Reuters, *Islamic State claims suicide bombing in Libya's Benghazi*, March 24, 2015.
2. Gertz, Bill, Washington Free Beacon, *Inside the Ring: Islamic State Attack on Italy Coming*, March 26, 2015.
3. Solomon, Erika, Financial Times, *Isis edges closer to Syrian capital*, April 1, 2015.
4. Westall, Sylvia, and Karouny, Mariam, Reuters, *Islamic State expands in Damascus, al Qaeda vows sharia for city*, April 1, 2015.
5. Jerusalem Post, *Yemen as a Symptom*, March 26, 2015.
6. Haaretz, Egypt, Saudi Arabia, *to lead ground operation against Yemen rebels, officials say*, March 26, 2015.
7. al-Jabiri, Jamal, AFP, *Saudi pounds Yemen rebel*
8. BBC News, *Kenya al-Shabab attack: Victims' bodies sent to Nairobi*, April 3, 2015.
9. Booth, Jenny, *The Times (Africa)*, *Garissa University*, April 2, 2015.
10. Rayman, Noah, Time, *Al-Shabaab Says Kenyan Cities Will Run 'Red With Blood,'* April 4, 2015.

camp, Arab allies gather, March 27, 2015.

*Unless we change our
ways and our direction,
our greatness as a nation
will soon be a footnote in
the history books, a distant
memory of an offshore
island, lost in the mists of
time like Camelot,
remembered kindly for its
noble past—Margaret
Thatcher*

Economy

According to the Labor Department, the number of first time unemployment claims for the week ending March 21 was 282,000 [1]. Then for the week ending March 28, the number reported was 268,000 [2]. Meanwhile, based on a shrinking labor force, the reported unemployment rate for March remained at 5.5% [3].

According to the Commerce Department, the trade deficit for February was \$35.4 billion [4]. However, the February trade deficit with China was \$22.5 billion [5]. What's more, for 2014 the trade deficit with China surged 23.9%

to \$342.6 billion [6].

1. Bloomberg, Jobless Claims in U.S. Decline to Lowest Level in Five Weeks, March 26, 2015.
2. Wall Street Journal, Jobless Claims Fall By 20,000 in March 28 Week, April 2, 2015.
3. Cox, Jeff, CNBC, US added 126K jobs in March, vs 245K expected; jobless rate stays at 5.5%, April 3, 2015.
4. Mutikani, Lucia, Reuters, U.S. jobless data boosts labor market picture; trade deficit narrows, April 2, 2015.
5. Mutikani, Lucia, Reuters, U.S. trade deficit lowest since 2009, ports dispute likely a factor, April 2, 2015.
6. Boak, Josh, AP, U.S. trade deficit plunges 17 percent in February, April 2, 2015.

*We live on a placid island
of ignorance in the midst
of black seas of infinity,
and it was not meant that
we should voyage far—H.*

P Lovecraft

The Cost of Security

Whenever a commercial jet crashes, the first question on many minds is the role of terrorism. With that as a back drop, a German jet crashed in the French Alps on March 24, killing 150 passengers and crew [11]. Early indications are the 28-year old co-pilot, Andreas Lubitz, deliberately crashed the Germanwings Flight 9525 aircraft [12]. So in effect, one of the 9/11 physical security controls, a locked cockpit, pre-

vented others from avoiding the crash.

While many controls mitigate the outsider attack; sometimes new vulnerabilities emerge for insider threats. For instance, the 2009 Fort Hood killings by Major Nidal Hasan was an insider attack [13]. A question here is what other vulnerabilities were introduced as 9/11 controls were deployed?

1. Rosnoble, Jean-Francois, Reuters, Germanwings

plane crashes in southern France: police, March 25, 2015.

2. Smith-Spark, Laura, et. al., CNN, Co-pilot made 'deliberate attempt' to crash Germanwings plane, prosecutor says, March 26, 2015.
3. Wulforst, Ellen, and Pruet, Jana J., Reuters, Fort Hood shooter sentenced to death for 2009 killings, August 28, 2013.