

IN THE NEWS

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World News

Russia is enhancing its electronic warfare capabilities. For instance, the Russians introduced new jammers designed to blind the US E-3 Airborne Warning & Control System [1]. Separately, one report indicates the Russians are operating a military vessel near a US nuclear missile submarine base [2]. Additionally, the Russian nuclear weapons expansion is putting US plans to cut weapons at risk [3]. What's more, Russia is enhancing its science base by announcing plans to establish a manned base on the Moon [4].

Elsewhere, Russia appears to be more active in the Middle-East. Case in point, support to Syria includes military hardware and advisors [5]. In a sign Russia may become directly involved in the conflict; they moved a portable air traffic control system and pre fabricated housing to an air base near Latakia, Syria's principal port city [6].

Meanwhile, China continues to demonstrate its new military strength. For example, five Chinese warships were observed operating off the coast of Alaska [7]. Then, to celebrate the 70th anniversary of the defeat of Japan, the Chinese military displayed a number of modern capabilities [8]. The anniversary celebration included a parade that included a number of carrier killer missiles [9]. This comes as China constructs two 60,000 ton class aircraft carriers [10].

1. Sweetman, Bill, Aviation Week & Space Technology, *Russia Upgrades Jamming Technology*, August 28, 2015.
2. Gertz, Bill, Washington Free Beacon, *U.S. Shadowing Russian Ship in Atlantic Near Nuclear Submarine Areas*, September 3, 2015.

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Security

Companies and organizations that are breached have additional losses to consider. There is a growing risk of follow-on law suites. Moreover, the legal remedies are not limited to commercial businesses. Case in point, a class action complaint was filed against the IRS for the breach that compromised 330,000 taxpayers [1]. Overall, the cost associated with breaches is increasing. For instance, the estimated cost

to an organization just due to phishing attacks is estimated at \$3.7 million per year [2].

In other news, a Latvian hacker pleaded guilty to writing a malicious software program to steal millions of dollars from online bank accounts [3]. However, the guilty party is limited to 10 years imprisonment [4]. In contrast, a bank robber can receive a much larger sentence. For example, in Arizona a convicted bank robber

received a 15-year sentence [5]. Then in Kentucky, a man was sentenced to 20-years for second degree robbery tied to a U.S. bank [6].

1. Greenberg, Adam, SC Magazine, Class action complaint filed against IRS over data breach, August 24, 2015.
2. Greenberg, Adam, SC Magazine, *Report: Phishing costs average organi-*

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Special points of interest:

- \$31.9 billion Trade Deficit with China during July

Security

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- zation \$3.7 million per year, August 27, 2015.
3. Watkinson, William, International Business Times, *Latvian hacker Deniss Calovskis pleads guilty to writing infamous 'Gozi' virus*, September 5, 2015.
 4. Hong, Nicole, Wall Street Journal, *Latvian Hacker Pleads Guilty in*

Manhattan Court, September 4, 2015.

5. Rogers, Anya, The Arizona Republic, *Scottsdale bank robber sentenced to 15 years*, August 24, 2015.
6. Thomas, Jacob, Kentucky New Era, *Sarah Avenue man sentenced to 20 years for bank robbery*, September 5, 2015

*All compromise is based on
give and take, but there
can be no give and take on
fundamentals. Any
compromise on mere
fundamentals is a
surrender. For it is all give
and no take.—Mahatma
Gandhi*

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3. Gertz, Bill, Washington Times, *Russia's nuclear weapons buildup challenges Obama's reduction goal*, September 2, 2015.
4. Dickerson, Kelly, Science, *Russia just announced it's going back to the moon*, September 2, 2015.
5. BBC News, *Syria crisis: US concern over Russia 'military build-up'*, September 5, 2015.
6. Gordon, Michael R., and Schmitt, Eric, New York Times, *Russian Moves in Syria Pose Concerns for U.S.*, September 4, 2015.
7. Page, Jeremy, and Lubold, Gordon, Wall Street Journal, *Five Chinese Navy Ships Are Operating in Bering Sea off Alaska*, September 2, 2015.
8. AFP, *China to flex military muscle in WWII parade*, September 2, 2015.
9. Clover, Charles, Financial Times, *China parades 'carrier-killer' missile through Beijing*, September 3, 2015.
10. Wu, J.R., Reuters, *China building two aircraft carriers: Taiwan defense ministry report*, September 3, 2015..

World News

Terrorism

Terrorist groups show no signs of containment. For example, in Yemen, an attack on a mosque by the Islamic State (IS) using a suicide bomber and a car bomb killed at least 28 people [1]. Then Iran-backed rebels launched a rocket attack that killed an estimate 60 Saudi coalition forces [2]. In response UAE military aircraft bombed rebel targets throughout the war torn country [3].

In Syria, fighting near the town of Marea left 47 dead [4]. This comes as the IS continues to destroy ancient temples [5]. Included in the destruction were the ancient tombs located in Palmyra [6]. Perhaps the best indicator of the turmoil in Syria is the number of people fleeing. For instance, Europe is being flooded by refugees from war

torn Syria [7].

1. New York Times/AP, *Death Toll From IS Attack on Yemeni Mosque Rises to 28*, September 3, 2015.
2. Jones, Rory, and Al Omran, Ahmed, Wall Street Journal, *Houthi Rebels Kill 60 Coalition Soldiers in Yemen*, September 5, 2015.
3. VOA, *UAE Pounds Yemen Rebels After Coalition's Deadliest Day*, September 5, 2015.
4. BBC News, *Fighting around key Syria town 'leaves 47 dead' activists*, September 5, 2015.
5. Graham-Harrison, Emma, The Guardian (UK), *From Parthenon to Palmyra: a history of cultural destruction*, September 3, 2015.
6. Ballout, Dana, Wall Street Journal, *Islamic State Destroys Ancient Tombs in Palmyra*, September 4, 2015.
7. Hjelmgard, Kim, USA Today, *Thousands more refugees arrive in Austria, Germany*, September 6, 2015.

*The harder you work, the
harder it is to surrender.—*

Vince Lombardi

Economy

According to the Labor Department, the first time unemployment claims for the week ending August 22 was 271,000 [1]. Then for the week ending August 29, the number rose to 282,000 [2]. On the surface, the news looks good with the unemployment rate falling from 5.3% down to 5.1% [3]. Unfortunately, the labor participation rate is 62.6%, a low not seen since the 1970's [4]. When you remove over 94 million adults from the workforce, the unemployment rate looks good. Moreover, the US trade deficit for July was \$41.9 Billion [5]. This includes a \$31.6 billion trade deficit with China [6]. To put this in perspective, that's just under \$12,000 per second.

China's stock market and other economic indicator are in free fall causing some to wonder what the impact will be to the US [7]. One piece suggests a China hard landing could have the most market impact since the great recession of 2009 [8].

1. Reuters, *US Jobless Claims Down for First Time in 5 Weeks*, August 27, 2015.
2. Jamrisko, Michelle, Bloomberg, *Jobless Claims in U.S. Rose More Than Forecast Last Week*, September 3, 2015.
3. Davidson, Paul, USA Today, *Employers added 173,000 jobs in August*, September 4, 2015.
4. Cox, Jeff, CNBC, *Job creation slips in August, rate*

falls, September 4, 2015.

5. New York Times/Reuters, *U.S. Trade Deficit Narrows; More File for Jobless Claims*, September 3, 2015.
6. Crutsinger, Martin, ABC News/AP, *US Trade Deficit Drops to \$41.9 Billion in July*, September 3, 2015.
7. Matthews, Chris, Fortune, *Will the crisis in China sink the U.S. economy?*, September 2, 2015.
8. Egan, Matt, CNN Money, *China is the scariest threat to stocks since 2009. Here's why*, September 1, 2015.

Never surrender
opportunity for security.—
Branch Rickey
