

IN THE NEWS

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World News

Russia continues to expand its military around the world. For instance, one report indicates Russia wants to establish military bases in Viet Nam and Cuba [1]. This comes as Russia appears to be increasing its military capabilities in Syria [2]. Russia sent a pair of its top of the line TU-160 Black-jack bombers along Norway to Spain [3]. This, after a report Russia is preparing its citizen for possible nuclear war with the US [4]. What's more, one report indicates Russia added 61 more nuclear war-heads to its inventory since April [5]. Another report indicates Russia has moved nuclear-capable missiles into its Kaliningrad outpost that borders NATO [6]. Then Russia announce it is suspending the US/Russia nuclear deal that was supposed to clean up weapons grade plutonium [7]. Moreover, Russia is moving additional advanced surface to air missiles into Syria [8]. Finally, according to the U.S. Strategic Command nominee; Russia and China are developing anti-satellite weapons [9].

Meanwhile, China's military warned Japan not to have joint patrols in contested waters [10]. Another sign of trouble ahead; Japan was forced to scramble fighter jets in response to eight Chinese military aircraft flying just outside of Japanese airspace [11]. This comes as one report suggests a nuclear war between China and Japan would result in Japan's extinction [12].

1. Solovyov, Dmitry, Reuters, *Russia wants to establish new military bases in Vietnam and Cuba*, October 7, 2016.
2. Stubbs, EJack, and Tsvetkova, Maria, Reuters, *Exclusive: Russia builds up forces in Syria, Reuters data analysis show*, October 7, 2016.
3. BBC News, *Nato jets scrambled as Russian bombers fly south*, October 5, 2016.

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Security

Yet again, another foreign sponsored cyber attach has breached a large company. This time, Yahoo was breached exposing 500 million user's personal information [1]. What's more, the breach continued for two years before it was detected [2]. One day after announcing the breach at Yahoo, a law suit was filed against the company for gross negligence [3].

On the race to fix security holes, Open SSL issued

patches to fix 14 vulnerabilities [4]. Then Google released patches to fix 78 vulnerabilities [5].

Whenever we see a train wreck, we are again drawn to the potential role of SCADA in the crash. The latest crash was a New Jersey Transit train that failed to stop at the Hoboken terminal, killing one person, injuring over 100, and causing extensive damage to the terminal [6]. As the train approached the termi-

nal at 8 miles per hour, the engineer blew the train's horn and activated the bell signaling the approach, then accelerated to 21 miles per hour, twice the authorized speed limit [7].

Once again, high speed AI driven programs were responsible for a flash crash. This time, British currency dropped 10% due to a flash crash, before recovering [8]. It is interesting to note that

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Special points of interest:

- NJ Transit Train Crash
- Fifth Bank Shuttered
- Pound Sterling Flash Crash

Security

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reports still think a person was ultimately responsible for the 10% currency flash crash [9]. Note, until regulators understand that AI programs operate autonomously, we expect more flash crashes. It should be obvious that cyber attacks against news organizations can effect flash crashes in AI systems relying on the media provided news.

1. AP, *Yahoo Confirms Huge Data Breach Affecting 500 Million Accounts*, September 22, 2016.
2. Lien, Tracey, Los Angeles Times, *Data breaches aren't unusual but Yahoo taking two years to discover*

one is, security experts say, September 23, 2016.

3. Stempel, Jonathan, Reuters, *Yahoo is sued for gross negligence over huge hacking*, September 23, 2016.
4. Davis, Seth, SC Magazine, *OpenSSL patches 14 vulns, including high-severity flaw that can be exploited for DoS attacks*, September 25, 2016.
5. Kerner, Sean Michael, e-week, *Google Patches Android for 78 Vulnerabilities in October Update*, October 5, 2016.
6. McShane, Larry, New York Daily News, *NTSB investigators fail to reveal findings from Hoboken*

commuter train wreck after talking to engineer, October 2, 2016.

7. Fitzsimmons, Emma G., New York Times, *Train Was Traveling at Twice the Speed Limit Just Before Hoboken Crash*, October 6, 2016.
8. Krauskopf, Lewis, Reuters, *Stocks drop after U.S. jobs data; 'flash crash' hits pound*, October 7, 2016.
9. Reuters/CNBC, *Sterling flash crash needed computers, but a human was probably the cause*, October 8, 2016.

*My desire was not to pass
any island without taking
possession, so that, one
having been taken, the
same may be said of all.—
Christopher Columbus*

World News

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4. The Mirror, *Russia prepares citizens for NUCLEAR WAR with the West and builds huge underground shelters in Moscow*, October 3, 2016.
5. Gertz, Bill, Washington Free Beacon, *Russia Adds Hundreds of Warheads Under Nuclear Treaty*, October 4, 2016
6. AFP, *Russia deploys nuclear-capable missiles on NATO doorstep*, October 8, 2016.
7. AP/ABC News, *Russia Suspends Cooperative Nuclear Research Deal With*

US, October 5, 2016.

8. Dorell, Oren, USA Today, *What Russia sending more air defense missiles to Syria means*, October 5, 2016.
9. Gertz, Bill, Washington Times, *China, Russia rapidly building arms for space war*, September 21, 2016.
10. Blanchard; Ben, Reuters, *China armed forces warn Japan against South China sea patrols*, September 29, 2016.
11. BBC News, *Japan scrambles jets over China flights along Miyako Straits*, September 29, 2016.
12. Gertz, Bill, Washington Free Beacon, *Pentagon Studied Future Japan Nuclear Arsenal and War With China*, October 7, 2016.

*Rome has grown since its
humble beginnings that it
is now overwhelmed by its
own greatness.—Livy*

One of the big fears is that terrorists will get chemical weapons. One report indicates the Islamic State (IS) is determined to obtain chemical weapons [1]. What's more, one report indicates, the IS launched a chemical attack against US forces [2].

In Afghanistan, the Taliban continue their military conflict. For instance, the terrorist organization launched a major assault on Afghan city of Kunduz [3]. Reports indicate Taliban fighters have entered parts of the city [4]. The Taliban are also fighting in the city of Tarin Kot [5].

Western countries continue to struggle with terrorists. For instance, German police are looking for a Syrian suspect following an apartment raid in the eastern city of Chemnitz where several hundred grams of high explosives were discovered [6]. Then in Ankara, Turkey, two suicide bombers blew themselves up after being confronted by police [7].

Terrorism

1. Alexander, David, Reuters, *Islamic State 'dead set' on using chemical arms: Pentagon spokesman*, September 26, 2016.
2. Muñoz, Carlo, Washington Times, *Islamic State launches chemical attack against U.S., Iraqi forces, Pentagon confirms*, September 22, 2016.
3. Watson, Ivan, et. al., CNN, *Taliban launches major assault on Afghan city of Kunduz*, October 3, 2016.
4. Mashal, Mujib, and Rahim, Najim, New York Times, *Taliban Fighters Again Enter Northern Afghan City of Kunduz*, October 3, 2016.
5. VOA, Afghan Forces, *Taliban Fight Fierce Battles for Strategic Corridor*, September 23, 2016.
6. Rising, David, Washington Post/AP, *German police find explosives stashed in raided apartment*, October 8, 2016.
7. BBC News, *Turkey suicide bombers killed near Ankara after police 'tip off'*, October 8, 2016.

Economy

According to the Labor Department, for the week ending September 17, the number of first time unemployment claims was 252,000 [1]. Then for the following week, the number was 254,000 [2]. For the week ending October 1, the number reported was 249,000 [3]. Once again, regulators were forced to close a bank. The Allied Bank in Arkansas, became the fifth financial institution shuttered by regulators this year [4]. Meanwhile, the US continues to export wealth to China. Case in point, the US trade deficit for August rose to \$40.73 billion and the imbalance with China increased to \$33.85 billion [5]. In Europe, the EU determined China was unfairly subsidizing steel exports and imposed duties on the Chinese imports [6].

1. Jamrisko, Michelle, Bloomberg, *Initial Jobless Claims in U.S. Match Lowest Level Since April*, September 22, 2016.
2. Bartash, Jeffry, Market Watch, *Jobless claims rise slightly to 254,000*, September 29, 2016.
3. Reuters, *US weekly jobless claims total 249,000 vs 257,000 estimate*, October 6, 2016.
4. Latin American Herald Tribune, *Arkansas Bank Becomes Fifth US Bank Failure of 2016*, September 23, 2016.
5. Reuters/CNBC, *US international trade deficit at \$40.7 billion in Aug. vs. \$39.3 billion expected*, October 5, 2016.
6. US News/AP, *China criticizes European import duties on steel*, October 9,

2016.

Science has not yet
mastered prophecy. We
predict too much for the
next year and yet far too
little for the next 10.—Neil
Armstrong
