# IN THE NEWS

## World News

Sometimes one has to read between the lines to gather the true story. For instance, Chinese coast guard ships chased away Philippine fishermen from contested waters and claimed the fisherman was throwing fire bombs at them [1]. So how close was the Chinese warship that they were within throwing distance of the fishermen? Elsewhere, China is reported to have installed anti-ship cruise missiles on the contested Woody Island [2]. Meanwhile, Japan activated an early warning radar on disputed islands close to Taiwan; prompting an angry response from China [3].

On the nuclear front, China is setting the stage for a new plutonium supply. Case in point, spent fuel will be reprocessed into plutonium that could be used to supply nuclear weapons [4]. This comes as one report indicates North Korea now has a mobile ICBM [5].

While much focus has been on North Korean nuclear weapons, the news from Russia indicates trouble ahead. For example, Russia is doubling the number of warheads on its new missiles and will break the arms treaty limit [6].

In planning for future wars there should be consideration for what weapons will be used against the United States. To this end, there is a growing realization that autonomous weapon systems will be used against us [7]. That is, weapons that act on available information and algorithmic code without human intervention.

1. Blanchard, Ben, Reuters, *China says Philippine fishermen used fire bombs in South China Sea*, March 22, 2016.
2. Panda, Ankit, The Diplomat, *South China Sea: China Has Deployed Anti-Ship Missiles on Woody*

**Inside this issue:**

**Special points of interest:**

- Islamic State Brussels Terror Attacks
- Ransomware shuts down MedStar hospital computers

## Security

Once again we see indications of the extent of state sponsored cyber espionage. For instance, a Chinese businessman pleaded guilty to hacking US military aircraft secrets [1]. Another area of concern is ensuring medical information technology security. For instance, some are positing implantable medical devices may be subject to malicious cyber-attacks [2].

The medical community is also a prime target of malicious attacks. For instance, the Washington MedsStar Hospital was shut down due to a ransom-ware computer virus forcing staff to revert to a paper process [3]. One report indicates the FBI is investigating the incident [4]. This follows the successful ransom attack (claimed by Turkish hackers) on the Hollywood Presbyterian Medical Center; also investigated by the FBI [5]. Additionally, there are reports of ransomware attacks on hospitals located in Kentucky and Ottawa [6]. So if the hackers are located in Turkey, a NATO member, what is law enforcement doing to prevent additional attacks?

Meanwhile, data breaches continue in the news. During this newsletter period, we learned of a breach at Verizon that exposed 1.5 million customers [7].

# Security

1. Gertz, Bill, Washington Free Beacon, China Hacked F-22, F-35 Stealth Jet Secrets, March 24, 2016.

2. Liebowitz, Jay, and Schaller, Robert, IEEE Edge, *Biological Warfare Tampering With Implantable Medical Devices*, March, 2016.

3. Cox, John Woodrow, et. al., Washington Post, *Virus infects MedStar Health system's computers, forcing an online shutdown*, March 28, 2016.

4. Gillum, Jack, et. al., AP/WTOP, *FBI probing virus behind outage at MedStar Health facilities*, March 28, 2016.

5. Gilbert, Davis, International Business Times, *Turkish Hackers Claim Credit For Hollywood Hospital Ransomware Attack*, February 29, 2016.

6. Lee, Seung, Newsweek, *Ransomware Wreaking Havoc In American nnd Canadian Hospitals*, March 23, 2016.

7. Barth, Bradley, SC Magazine, *Data breach authority Verizon Enterprise breached; 1.5 million customers impacted*, March 25, 2016.

---

*Heavier-than-air flying machines are impossible.– Lord Kelvin*

---

# World News

*Island*, March 26, 2016.

3. Kubo, Nobuhiro, and Kelly, Tim, Reuters, *Japan opens radar station close to disputed isles, drawing angry China response*, March 28, 2016.

4. Spegele, Brian, Wall Street Journal, *China's Plans to Recycle Nuclear Fuel Raise Concerns*, March 17, 2016.

5. Gertz, Bill, Washington Free Beacon, *Pentagon Confirms New North Korean ICBM*, March 31, 2016.

6. Gertz, Bill, Washington Free Beacon, *Russia Doubling Nuclear Warheads*, April 1, 2016.

7. Lamothe, Dan, Washington Post, The *killer robot threat: Pentagon examining how enemy nations could empower machines*, March 30, 2016.

# Terrorism

With the rise in terrorism, one question is how security is the vetting process for airport personnel? For instance, at Los Angeles International, when a flight attendant was singled out for a security screening, she escaped but left behind 70 kilograms of cocaine [1]. If 70 kilograms of cocaine can make it far into airport security; what could prevent a terrorist bomb from exploiting the same vulnerability? Moreover, since the person managed to escape, does this not point to lax security at LAX (no pun intended)?

Once again, terrorists launched attacks in Europe. This time three bombs exploded in Brussels [2]. What's more, the Islamic State (IS) claimed responsibility for the terrorist attacks in Brussels [3].

Then a security guard at a Brussels nuclear power plant was murdered and his ID badge stolen [4]. It is unclear if this event is related to ongoing terrorist activities. What's more, one report indicates one of the terrorist was responsible for the murder of the nuclear plant guard [5]. It is interesting to note; not long ago, Brussels prided itself as having one of the lowest murder rates in Europe [6].

Elsewhere, IS suicide terrorists attacked a stadium in Iraq leaving at least 29 dead [7]. Then in Pakistan, Taliban suicide bomber targeted Easter worshiping killing at least 60 [8].

1.  Wang, Yanan, Washington Post, *Flight attendant flees LAX, leaving nearly 70 pounds of cocaine and Gucci heels in her wake*, March 22, 2016.

2.  Berlinger, Joshua, CNN, *Brussels attack investigation: What's next for authorities?*, March 23, 2016.

3.  Chalfant, Morgan, Washington Free Beacon, ISIS *Claims Responsibility for Brussels Terror Attacks*, March 22, 2016.

4.  Howell, Kellan, Washington Times, *Guard at Belgian nuclear plant shot dead; his security badge was stolen*, March 26, 2016.

5.  Chazan, David, et. al., The Telegraph (UK), *Brussels attacks: 'Man in the hat' charged with terrorism and murder as nuclear security guard killed*, March 27, 2016.

6.  Cendrowicz, Leo, Time, *Brussels, Civilized E.U. Capital, Rattled by Crime Wave*, June 8, 2010.

7.  Abdul-Zahra, Qassim, AP, *IS Claims Suicide Bombing on Stadium in Iraq That Killed 29*, March 25, 2016.

8.  Hussain, Shaiq, and Cunningham, Erin, Washington Post, *Taliban splinter group claims attack on Christians at Pakistan park; 60 dead*, March 27, 2016.

*Most people assume that once security software is installed, they're protected. This isn't the case. It's critical that companies be proactive in thinking about security on a long-term basis.–Kevin Mitnick*

## Economy

According to the Labor Department, the number of first time unemployment claims for the week ending March 19 was 265,000 [1]. The for the week ending March 26, the number rose to 276,000 [2].

Meanwhile, US business continues to see economic contraction. For instance, for the first time since it started 45 years ago, Walmart's revenue shrank when compared to the previous year [3]. Then the two largest caol mines, Peabody Energy and Arch Coal, are planning to lay off 15% of their Wyoming workforce [4].

What's more, the economic outlook for the city of Chicago continues to degrade. For instance, Fitch lowered Chicago's credit rating to the lowest investment grade [5]. This means, the cost of borrowing money will increase, thereby compounding an already base situation.

The trade practices used by China continue to restrict foreign goods entering the country. Case in point, China has placed a new tax on goods purchased overseas [6].

1. Jamrisko, Michelle, Bloomberg, *Jobless Claims in U.S. Climbed Less Than Forecast Last Week*, March 24, 2016.
2. Mutikani, Lucia, Reuters, *U.S. Labor market strength intact, manufacturing regaining footing*, March 31, 2016.
3. Banjo, Shelly, Bloomberg News/Charlotte Observer, *Walmart's first-ever revenue drop: end of an era?*, March 31, 2016.
4. Joyce, Stephanie, KWMU, *Peabody And Arch Lay Off Employees At Wyoming Mines*, April 1, 2016.
5. Campbell, Elizabeth, Bloomberg News, *Chicago's rating after pension overhaul dashed*, March 29, 2016.
6. Qi, Liyan, and Chao, Loretta, Wall Street Journal, *China Tax on Overseas Purchases Set to Kick In*, March 31, 2016.

*The engineering is long gone in most PC companies. In the consumer electronics companies, they don't understand the software parts of it. And so you really can't make the products that you can make at Apple anywhere else right now. Apple's the only company that has everything under one roof. —Steve Jobs*